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20 September 1982

WEST EUROPE REPORT

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EAST-WEST CONFLICT GIVES NEW ASPECT TO NAVAL STRATEGY

Paris DEFENSE in French Jun 82 pp 17-19

[Article by Admiral Pierre Lacoste, commander of the Mediterranean Fleet: "Naval Strategy"]

[Excerpts] From a naval strategy standpoint, the formation of strategic nuclear-powered submarine forces is unquestionably the most important event since the end of World War II. SSBN's [fleet ballistic missile submarines] are today one of the most striking evidences of sea power and only the largest navies have them.

Over the past few years, Frenchmen have been discovering that through SSBN's their navy has become one of the key elements in France's defense system. High-level government officials have on several occasions publicly demonstrated the importance they attach to the Strategic Naval Force (FOST), a major component of our nuclear deterrent forces.

The prime minister's presence on-board the "L'Etonnant" in November 1981 as it was about to depart on the 100th patrol of our SSBN's, was of symbolic importance in this regard.

But French naval strategy is not confined to employment of FOST. Based on the permanent and unchanging basic characteristics of the marine environment and naval operations, that strategy is designed primarily to protect our interests at sea. In addition, however, highly favorable circumstances due to the blocking effect of nuclear deterrence have made naval strategy an increasingly necessary element of our general military strategy and defense.

Because of its special situation in the world, France is concerned with both East-West and North-South relations.

In the East-West rivalry, sea lines of communication assume a vital importance to the United States and Western countries, whereas they are of secondary importance to the USSR and its Warsaw Pact satellites. This is the classical situation of the "master of the sea" and its allies versus the "master of the land" and its vassals: neither the stakes and interests involved nor the naval strategies are symmetrical.

The principal stake in an East-West conflict would be Western Europe.

During the first 20 years after World War II, France, engaged elsewhere in decolonization conflicts, aligned its naval strategy on NATO's which is based on the need to reinforce and resupply Western Europe by sea from America, and likewise the need to protect Western Europe's northern and southern flanks with amphibious forces and American aircraft carriers. This strategy calls for a certain "division of labor" among the allies and the integration of European and U.S. forces.

By forming its own independent nuclear deterrent force, France settled the problem of its strategy vis-a-vis the East in a different way. In so doing, it did not, however, repudiate its adherence to the Western World and the Atlantic Alliance. But it was only natural for France to withdraw from an integrated military organization whose defense strategy did not agree with its strategy.

Hence what is French naval strategy's current position relative to the East-West confrontation?

It is evident that the threat of war with the East is the most serious possibility for our security. In any case, it is the contingency which takes precedence over all others in determining our strategic goals.

a. The first and most pressing obligation consists in employing the Strategic Naval Force under conditions of complete security. This is the primary standing mission. It is a "must" regardless of the circumstances, whether it be in peacetime, in a minor crisis, or an ominous crisis.

2. The second obligation has to do with our sea approaches. Our maritime interests are most visible, evident to all, in the waters off our coasts, in the extension of our major commercial and naval port complexes. The fact of showing our presence through sustained military activity and effective surveillance of our approaches serves as both testimony and demonstration, and is thereby part of our deterrence.

c. The third obligation is to keep our forces combat ready. Even though everything combines to ensure our deterrent's success, we cannot rule out any possibility, no matter how small, of an East-West conflict. In that eventuality, the government would remain free to decide whether or not to side with NATO, as the situation dictates. Nevertheless, combat readiness is imperative in every case.

This calls for several observations:

a. Keeping our combat forces ready, without specifying in advance the conditions of their involvement in combat, adds another element of uncertainty to the calculations of any potential aggressor. Anything that heightens uncertainty strengthens deterrence.

b. Our membership in the Atlantic Alliance coupled with the fact that most

of our maritime interests converge with those of Western nations, prompts us to unite our actions with those of the "master of the sea," even though this does not imply an automatic commitment in the event of hostilities.

Sheltered by the United States-USSR deterrent "stalemate" and by our own "the weak-versus-the strong" deterrent, such traditional considerations as balance of forces and qualitative evaluation of opposing weaponry lose part of their significance. Decisiveness, initiative, and the emphasis placed on certain types of offensive weaponry rather than on illusory means of protection, all can serve to advantageously offset the inferiority of our resources.

The sphere of activity open to French naval strategy is even larger along the North-South axis.

Reasons for our turning outward include the existence of: our overseas departments and territories, the Franco-African heritage with its numerous concrete ties of interdependence, and the economic and trade relations with our suppliers of energy and raw materials on the one hand, and with our industry's customers on the other.

This is confirmed by our publicly affirmed political resolve to play an important part in establishing new relations between the rich countries and the developing countries.

For many people, any mention of the role of navies in the Third World is tantamount to reviving historical reminiscences or talk of "gunboat diplomacy."

Strictly speaking, gunboat diplomacy was an element in a strategy of coercion conducted mainly during the era of colonial conquests. In this day and age, however, middle-sized powers would find it difficult to deploy sufficient forces to apply effective coercion, if indeed they still intend to do so now that they have finished the decolonization process. Only the two superpowers still have the equipment capacity to militarily coerce a foreign country.

In the event a large power threatened to intervene by sea against a small country, a middle-sized power's navy would be capable of effectively interposing itself if, for example, it were a matter of ensuring a regional balance, thereby playing an "anti-gunboat diplomacy" role. It is conceivable that such a strategy could be adapted to a dynamic conception of North-South relations, seeing that cutting up the world into two blocks is not viewed as bound to happen. From this standpoint, the "presence" of naval forces before crises even develop is a preventive measure.

Lastly, France retains the capability of implementing a strategy of assistance or support, a strategy calculated to counter the actions of any regional trouble-maker.

To achieve these goals, the French Navy has very broad freedom of action resulting, as we indicated earlier, from the characteristics of the marine

environment and also from the special capabilities of the naval air forces.

The French Navy relies, not only on the example of the USSR which has been able to pursue effective indirect strategies, but also on its own experience of the past few years during which it has helped forestall crises or resolve local conflicts through its action in the Indian Ocean and in Africa, by operating alone or in close cooperation with units of our army and air force.

The role assigned the French Navy by governmental authorities is expressed in the form of missions it must perform: nuclear deterrence, protection of our approaches, security in the Mediterranean, presence throughout the world, and public service tasks.

These missions are in keeping with both a strategy of preparedness and a strategy of daily and continuous operations. They are commensurate with direct strategy goals as well as indirect strategy goals in prospective East-West confrontation situations or in crisis situations liable to occur elsewhere in the world.

The navy, like the other armed services, serves the defense policy formulated by the government.

Nothing appears more important today than ensuring the success of deterrence. By expressing the national will through implementation of a dynamic naval strategy, and by ensuring the Strategic Naval Force's credibility, the French Navy plays a privileged role in preventing war and defending the nation's interests.

8041

CSO: 3100/913

LEBANESE ARMED REVOLUTIONARY FACTION, DIRECT ACTION TIES

Paris LE FIGARO in French 24 Aug 82 p 9

[Article by Jean-Charles Reix: "Terrorist Cousins: The Lebanese Armed Revolutionary Faction Reportedly Linked to Direct Action"]

[Text] The file on Saturday's attack in Avenue de la Bourdonnais, Paris VII district, has been assigned to Mme Martine Anzani, the examining judge in three previous attacks on American diplomats claimed by the Lebanese Armed Revolutionary Faction (FRAL). Police counterterrorism specialists seem to be particularly concerned about this new incident of violent opposition, the 18th since the beginning of July. For two reasons: first, because one of their own people, Bernard Le Dreau, an explosives expert in the central laboratory of police headquarters, was killed by the explosion, and his colleague Bernard Moron seriously injured, and secondly, because they are convinced that the FRAL members received logistical support in Paris from French terrorists hastily released after 10 May 1981.

In fact, only the experts are aware that the FRAL, which on Saturday seemed to be aiming at Roderick Grant, an American diplomat, are in reality close cousins to other, better known clandestine groups in France, those of Direct Action. Criminal squad antiterrorist section experts are even convinced that there is more between the two movements than simply a coinciding ideology. There has been recent proof that a shared strategy, opposition to imperialism and Zionism, has led them to mutual financial aid and logistical support.

To understand this, we should remember that the FRAL had previously claimed responsibility for the murder attempt against the number two in the American embassy in Paris, Christian Chapman, on 12 November 1981; the assassinations of Col Charles Ray, American military attache, on 18 January 1982, and Yacov Barsimantov, second secretary of the Israeli Embassy, on 3 April 1982. The last event and the last date are important.

In the case of this murder, the FRAL seemed for the first time to abandon its American targets to engage in an anti-Zionist terrorist action. However,

3 days before, on 31 March 1982, another commando operation, perhaps in the nature of a warning, had been carried out against the Israeli purchasing office in Paris, whose front was raked by automatic weapons fire from three unidentified persons. The FRAL also quickly took credit for this attack. However, the investigation showed that this commando action should rather be attributed to Direct Action.

On 8 April 1982, only shortly after this automatic weapon attack and the murder of the Israeli diplomat--a murder carried out by a Frenchwoman not yet apprehended, the police searched the garage of a building on Rue Borrego (20th district). A cache of weapons and documents was seized, along with Mohand Hamani and Joelle Aubron, two of the most wanted Direct Action terrorists, who were arrested. One of Direct Action's "hideouts" had thus been discovered.

An important development was yet to come. One of the Rue Borrego weapons, a Sten automatic weapon, proved to be, as confirmed by ballistics experts, one which had fired on the Israeli purchasing office. On the strength of this first indication of collusion between the FRAL and Direct Action, in apartment buildings "squatterized" by the French terrorist group the police seized some FRAL leaflets in Arabic but printed in the Grenoble area by DOCOM, a printing company financed by the autonomous movement with which Direct Action is linked.

It remained to be proven that Direct Action had swung to anti-Zionism and hence to providing logistical support to an organization like FRAL, which was established in Beirut a year ago at the height of the Palestinian occupation.

Political Refugees

The RG [Renseignements Generaux-General Intelligence Office] quickly realized that Direct Action had profited from its regained freedom to reorganize and open itself up to international revolutionary influences, represented in France by political refugees from Turkey and the Middle East, or by Frenchmen of Muslim origin wanting to identify with the Arab cause. The police have become aware of three factions within Direct Action: the political and historical faction led by the movement's founder, Jean-Marc Rouillan, and two hardline factions, described as military.

The first, the Marcel-Rayman Fighting Unit, is for the present the least well-known. The Lahouari Farid Ben Chellal Fighting Unit, on the other hand, to which the Muslim Mohand Hamani belonged, is the closest to the FRAL. In the past 5 months, this Direct Action unit has claimed five attacks in Paris against Israeli individuals or commercial establishments linked economically with Israel. It is also suspected of having been involved in the Rue des Rosiers killings.

Lahouarie Ben Chellal died 6 months ago in Finland, shortly after his arrest. The Finnish police suspected him of having come there to meet an Eastern emissary and try to obtain money and arms. Was Ben Chellal executed at the request of certain special services which had identified him as one of the main secret PLO representatives in Paris? This allegation has not been proved,

but it has been demonstrated that Ben Challal, under the pseudonym of Farid, was the organizer of an international political journal which was financed in part by Palestinian money. Some go further to maintain that this Farid, a member of Direct Action, was also the founder of the FRAL.

9920

CSO: 3100/924

BOMB PSYCHOSIS, FALSE ALARMS DISTRACT POLICE

Paris LE FIGARO in French 24 Aug 82 p 9

[Article by Eric Follin: "Psychosis in Paris"]

[Text] The wave of attacks shaking the capital has caused a virtual psychosis among the people of Paris, who see bombs everywhere and react to the smallest firecracker thrown by children. On each occurrence, the police have to depart from their routine and check up, and for the past few days hundreds of staff in local police stations have been mobilized.

By 1700 hours yesterday, Monday, CID headquarters had received 28 false bomb alerts. One officer told us: "It is not rare for officers of police stations in the area of major stores to spend the entire day looking for presumed bombs in one or another department of these establishments. The busiest officers are those who are responsible for BHV [Bazar del'Hotel de Ville], where a few years ago a bomb exploded killing a salesgirl, Policemen and police inspectors go there as often as three or four times a day, despite the fact that at each store employees are located at each entrance checking every purchaser's bags with detectors." These false bomb alerts, one of which, in a street in Rivoli (1st district), required an interruption of traffic, total some 30 to 40 a day for the capital alone. The psychosis of attack sometimes takes other forms. Yesterday, in early afternoon on Rue Saint-Denis in Paris (2d district), some people said they had seen a man walking carrying bombs. The suspect, a demented person who was taken to the psychiatric infirmary of police headquarters, was carrying only some fruit juice bottles filled with some harmless liquid. However, the witnesses had not reported the gun with which he fired two or three times in the air before surrendering to the police.

A few hours later, at 1815 hours, the 29th bomb alert was conveyed to the police. Witnesses had noticed a suspicious car parked in a prohibited area along a fence in front of the Paris Law Courts, Boulevard du Palais. The explosives experts from police headquarters arrived very quickly. They noted a package inside the large American car. Central Laboratory specialists placed two explosive charges respectively on the lock of the driver's door and the door to the trunk. The two simultaneous explosions briefly put the area in turmoil. However, the vehicle now open, the package was found not to contain anything unusual.

The policemen add: "All these calls based more or less on imagination delay us in our work, but after the slaughter in Rue des Rosiers and the attack in Avenue de la Bordonnais, it would be hard to hold it against the people."

NORDIC COUNTRIES PRODUCING EXCESS ELECTRICAL POWER

Helsinki HELSINGIN SANOMAT in Finnish 22 Aug 82 p 33

[Text] Copenhagen (STT-RB)—Last year the Nordic countries produced so much more electricity than they needed that they had to leave production capacity unused and billions of kilowatt hours were completely lost. And this was so in spite of active energy trading among themselves and sales to other countries. The surplus production of electricity was reported in the Nordic countries' electric industry cooperation organization, NORDEL's [expansion unknown], annual review. All five Nordic countries participate in NORDEL.

Representatives of the Nordic countries' energy production industry meet in early September in Ronne, Denmark, to discuss technical questions having to do with the production of electricity. Particularly Sweden, Norway and Denmark closely cooperate with one another. They will probably cooperate even more on account of the production surplus.

The reason for last year's electric power surplus was the abundant rainfall Sweden and Norway had, which affected the volume of electricity produced by water power. Another contributing factor was the increase in nuclear electricity production in Sweden and Finland. Among other ways, the surplus was exploited by selling a lot of electric power to Denmark.

Denmark was able to cover a third of its needs for the year with imported electricity. Furthermore, Denmark can regulate the production of electricity by its coal and oil-operated power plants better than Sweden and Norway can their electric power economies, which are based on nuclear and water power.

Sweden and Norway sell their surplus electricity to Denmark at a price that is below Danish production costs. Denmark sells part of the electricity it buys to the Federal Republic of Germany.

Despite these sales of electricity, 2.5 billion kwh of potential energy flowed past water-operated power plants in Norway. During the same period Sweden left 1.8 billion kwh of the production capacity of its nuclear power plants unused.

NORDEN's customers believe that the situation will be repeated this year, even though the amount of rain has been less than last year. An increase in energy exports has been suggested as a remedy.

11,466

CSO: 3107/173

HEAD OF NESTE, STATE-OWNED OIL FIRM, COMMENTS ON ISSUES

Helsinki UUSI SUOMI in Finnish 16 Aug 82 p 14

[Article by Kimmo Salin: "Oil Refining, the 25th Anniversary of the Initiation of Which Is Now Being Celebrated, Will in Future Continue to Be the Firm's Biggest Job; Neste Is Seeking Growth in New Fields"]

[Text] Having recovered from the shocks produced by the oil crises of this past decade, the oil companies have managed to adapt their activities to the new situation engendered by a constant reduction in oil consumption.

"Neste has been able to adapt to the new phase fairly well. The rapid conversion of the structure of the company's fields of operation has been a reaction to the reduction in oil consumption," was how Neste Oy general manager Jaakko Ihamuotila felt about the oil companies' conversion process at this time when the Finnish oil-refining industry is celebrating the 25th anniversary of the initiation of its operations.

There is an oversupply of refinery capacity throughout the world and international oil company profits have been on the decline. The companies have had to look for growth outside of the field of conventional oil refining. The typical basic image of the oil companies is changing.

From being a conventional oil-refining company, Neste, whose refining operations were originally and, of course, still are based on domestic consumption, has in a short space of time been developed into a business involved in many fields which is aiming at playing an active international role with regard to energy and shipping. Ihamuotila wanted to stress the importance of the international nature of his firm's operations. Internationalism means oil exports, oil exploration, expansion of the chemical industry, the development of shipping and orientation toward the battery industry.

Ihamuotila feels that oil refining for the domestic market is still their biggest job. The decline of the domestic market has driven Neste into other fields of activity.

Ihamuotila regards this new tendency as being inevitable, not just to secure growth and the future, but also to retain their volume.

While oil companies have always typically been composed of small businesses, Ihamuotila asserted that Neste has no intention of expanding in the energy sector outside of the fields of oil, coal and natural gas. As far as domestic fuels are concerned, Neste is waiting for the VAPO [expansion unknown] issue to be settled.

"Our new field of operation has been quickly chosen, but we have no plans to go any further than expansion of our assortment of products. On the other hand, development is constantly going on within these fields."

Oil Age Is Not Over

Despite the recent decline in oil consumption, Ihamuotila believes that oil has a good future.

"The price trend for crude oil and the development of known oil reserves indicate that oil is still in the picture. Hopefully too, domestic consumption will increase."

According to Ihamuotila, despite the prevailing overcapacity of refineries in Europe, Neste can make almost full use of its units at crude oil prices.

"There is an overcapacity of about 150 million tons in Western Europe. Neste has been able to adjust to the situation fairly well because our cracking units are modern. We see no likelihood of any troublesome closedowns of refineries as have happened in Western Europe."

To be sure, Neste does not have all its plants running at full capacity either, since the Porvoo refinery's one unit has been closed and, as a result, 3 million tons of direct distillation capacity are out of operation.

According to Ihamuotila, this oil-refining operation for export, service contracts and continued modernization of the refineries have been sufficient to adapt the company's activities to declining domestic consumption.

This year Neste invested about 350 million marks in its refineries to raise their refining volume and reduce costs.

This year Neste will refine about 10.6 million tons of crude oil.

It is estimated that Porvoo will be supplied with 8.6 million tons and Naantali with 2 million tons. Maximum refining capacity is just under 11 million tons, since investments require rather lengthy shutdowns.

Exports Improved

According to Ihamuotila, a good supply of crude oil and the fact that exports improved during the first half of last year helped them to adjust to the new consumption situation.

Despite the good start in exports during the first half of the year, Ihamuotila does not believe that this year's export figures will exceed last year's.

Last year Neste exported 1.6 million tons. In addition to this, it refined about a half a million tons for Svenska Petroleum.

"We no longer refine for Svenska Petroleum because it no longer has any need for its refined oil elsewhere."

Ihamuotila is not relying only on exports aimed at the Rotterdam oil products market. However, refining service agreements may, of course, continue to be concluded.

Another more profitable approach is to reach a sales agreement with some foreign distribution or trading company. An example of this is the agreement to provide 100,000 tons Neste concluded with the West German Massa chain this summer.

Ihamuotila philosophized on the notion that the acquisition of a distribution chain outside of Finland would naturally be one way of doing this.

He nevertheless sharply denied the existence of any such plans at the present time. He once again emphasized the fact that Neste had not negotiated for the purchase of the Swedish Gulf gas station chain.

"To be sure, our feelers are out there all the time," Ihamuotila indeed admitted, "which is why it will probably not be very long before Neste becomes the owner of a service station chain elsewhere in Europe."

Neste has had experience in this sort of business in Finland since it has already been affiliated with E-oljy [E-Oil] and Kesoil. Early this summer the company expanded this activity by also taking over BP's [British Petroleum] operations in Finland.

Raw Material Supply Protected

The acquisition of raw material is the cornerstone of refinery operations. Neste has usually protected its supply of crude oil from many sources.

Most of its crude oil comes from the Soviet Union, this year about 8 million tons.

"The most important thing here is that we have imported crude from the Soviet Union for trade-policy reasons and that Neste has been able to absorb it in terms of the business economy," Ihamuotila said.

"Since consumption has turned to our account, we have been able to cut down on imports of Arab oil, but this has happened in a natural way because the producers of Arab oil have been Iran, Iraq and Saudi Arabia.

"However, the North Sea's share of the total has increased. Altogether a million tons are now imported from three different sources in that area."

High-Cost Dollar Is a Cause of Concern

Those who bear the responsibility for Neste's profitability have with wrinkled brows for the past couple of years been following the development of the dollar exchange rate. During the past decade a high-cost dollar has nibbled away a chunk of Neste's profits.

During the first half of last year when domestic market prices of oil products were stabilized, the exchange rate of the dollar was 4 marks. Consumer prices remained the same throughout the year despite the fact that the dollar climbed to 4.70 marks.

Neste recovered little of the negative gain effect produced by the drop in the price of crude oil.

The same tempo has been maintained this year. Current retail prices are based on the price of the dollar, 4.55 marks. And right now the dollar is fluctuating around 4.80 marks.

"There are pressures," Ihamuotila admitted.

"Clearly, we will have to look into the matter with the Ministry of Commerce and Industry," he felt, but added that Neste has not applied to the Ministry of Commerce and Industry for any hikes, nor has it even consulted with anyone on the matter yet.

Neste Has Attacked the Plastics Industry

During the first part of the year Neste was a particularly industrious buyer of businesses in the chemical industry. With Rosenlew it bought a 49-percent share of the Swedish plastics industry firm, Celloplast, which produces plastic shopping bags.

With Askö it founded a joint company, the rapidly developing Uponor, which manufactures plastic pipes and hoses and which has acquired ownership of firms in Sweden and Denmark.

"Among the Nordic countries Norway is open to competition, but naturally Uponor is also trying to capture the Norwegian market," Ihamuotila said.

Uponor had a fairly smooth way paved to becoming the partner of a Norwegian manufacturer in Norway too when a Swedish competitor for supplying him with raw materials, Kema Nord, bought itself in right from under Neste and Askö's noses. So Uponor is only a marketing firm in Norway. As a background to these operations, a hopeless period of overproduction now dominates basic plastics in Europe.

"As a small manufacturer, Neste must specialize and rely on nearby markets," Ihamuotila defended these purchases of companies.

By going along with continued refining operations, Neste is protecting its plastics raw material markets. Ihamuotila felt that this basic decision has guaranteed a relatively satisfactory situation.

About 35 percent of the LPDE [expansion unknown] plastics manufactured by Neste plastics plants is exported. The major portion of these exports is shipped precisely to Sweden, which is why it is no wonder that Neste joined Rosenlew in the Celloplast combine, whose sales volume was about 400 million marks last year.

The Finns hold 49 percent of the company's shares. They obviously would have wanted to buy the 2 percent they lacked to make them the majority shareholders, but Rosenlew and Neste did not succeed in doing so.

"A situation probably now prevails in which KF [Consumers' Cooperative Union], the biggest shareholder, wants to retain its position," Ihamuotila said.

The Finns are satisfied with this solution because KF will buy about 20 percent of Celloplast's plastic shopping bag production

Neste Relies on Coal

Neste has not hidden its light under a bushel as far as coal and natural gas are concerned either. Ihamuotila believes that coal's share of the market in Finland will increase in the middle of this decade.

"Coal consumption has increased, as we viewed the situation a year ago. By the end of the decade coal consumption in Finland will rise to closer to 10 million than 5 million tons.

"If we aim for a mining plan by the time Finland's coal consumption has risen to about 5 million tons, we will be right on schedule in our calculations," Ihamuotila shed light on the future of coal plans.

No progress has been made on U.S. mining projects and the main coal vein has not been found at Huippuvuori, which is why exploration will have to be resumed during the next summer season, Ihamuotila promised.

11,466
CSO: 3107/173

GOVERNMENT ISSUES GUIDELINES FOR 1983 BUDGET

Zurich NEUE ZUERCHER ZEITUNG in German 6 Aug 82 p 11

[Article by T. H.: "Guidelines for 1983 Belgian Budget; Drastic Measures to Limit New Debts:]

[Text] Brussels, 3 Aug--As has already been briefly reported, the Belgian government in a 3-day marathon session has completed the guidelines for the 1983 national budget, according to which the austerity policy will continue. With this final spurt before the summer recess, Prime Minister Martens wants to ensure that his government will get an image of decision and ability to act. Forces politically close to the Christian Democratic-Liberal coalition recently announced their first doubts in this respect.

Real Cut in State Spending

By declaring 1983 the year of accelerated reduction of the budget deficit, Martens now attempted to confront these tendencies, which at this time appear more dangerous to him than the criticism of the social effects of his policies. New indebtedness is to be limited to 445 Belgian francs; this is the equivalent of 10.5 percent of the gross national product. In the past year this share was 11.4 percent, while in 1981 the budget deficit was 12.7 percent of the GNP. The government's target is to reduce the margin of new indebtedness to 6.9 percent by 1985. In order to attain a standard figure for the coming year, one wants to reduce state expenditures in terms of real value. With an estimated inflation rate of 8 to 9 percent, the cost of regular spending and debt servicing together are to increase by only 7.5 percent. But since the increased costs of the national debt alone have an impact of 15.1 percent, drastic savings must be implemented in other areas, if one is to stay within the established limits. The guidelines now proposed provide for drastic cuts primarily in the educational system, but the red pencil will also be used in the social area and in public administration.

Information Gaps Part of the Calculation

In view of the enormous time pressure which the government has imposed on itself for preparing the budget, it has been established what sectors will be bled, but more detailed discussion of the total amounts to be cut is still open in some cases. The uncertainty connected with this, regarding who will

in the end be affected and to what extent, is thoroughly intentional. The government does not want to make certain decisions until after the municipal elections to be held on 10 October, so as to avoid tension within the coalition and in order not to overly influence the election chances of the parties which make up the coalition. Nevertheless, it has been made unmistakably clear with the budget norms which were presented that the Belgians will be asked to make considerable sacrifices.

Cuts in the Social Area

In the social insurance system the expected 35.7 billion Belgian franc deficit is to be equalized through a reduction in services and a higher amount of contributions. Additional savings of 12.7 billion Belgian francs are even intended to help compensate for other sections of the budget. One wants to finance this by increasing the overall amounts, by adjusting employee social insurance contributions to the higher norm for workers, by cutting child payments sharply and by reducing a large number of other services. This method, hastily implemented from the sole viewpoint of saving money, led to dubious results, as is evident for example in the fact that one wants to change the criteria for work disability to whatever extent necessary in order to bring the costs down to a certain level.

Within the framework of employment policy the Martens government plans to save 6.9 billion Belgian francs, which are to result from fighting illegal labor, tighter controls on overtime work and the demand for part-time work. As for unemployment, one wants to stay below a maximum figure of 538,000 jobless; however, this target is not connected with measures creating employment. Existing programs, which at least temporarily guarantee about 70,000 unemployed a government-financed job, are being continued. In the area of employment policy a conflict recently arose between Martens and his budget minister, Maystadt, who had pointed out and criticized that despite all financial relief measures and the cut in real wages forced through by the state, the private economy had not yet contributed to the fight against unemployment. Should an improvement occur in this respect, the measures favoring the enterprises would once more have to be reviewed, in the opinion of the Christian Democrat. However, the guidelines for the 1983 budget only touch on this point, to the extent that the budget of the responsible ministry may perhaps be raised, if on the target date of 31 March 1983 a decrease in the number of employees has been determined in the private economic sector in comparison with the same month the year before.

School Construction Halt and Teacher Layoffs

The educational system is among the areas which must undergo the greatest cuts. A complete halt in school building and layoffs of teaching personnel will make it possible, according to the government plans, to limit the nominal cost increase to 4.4 percent. The central administration wants to safeguard against greater financial demands in the municipal sector as well. In the future the contributions by the central government will grow at an identical annual rate. The law governing the municipal regions is to adopt the requirement of presenting a balanced budget. The fulfillment of this

task will make it easier to reach into the wallets of the citizens, something which cannot immediately be blamed on the government, that is to say increasing municipal taxes and surcharges. The average 7.5 percent growth rate of the budget will benefit the defense budget.

Bleeding the Civil Service

The civil service is being asked to pay in two ways. The number of employees drawing a salary from the national budget must be 1.5 percent below the comparable figure for 31 March 1982, spread over the entire year of 1983; beyond that, the nominal income may only increase at the same rate as in the private sector. The government still has not made a formal decision regarding the future fate of wage indexing, which was promised for 1982. Nevertheless, it has already stated that next year as well the growth of income must remain below the inflation rate. Unions and enterprises were urged to agree on a margin of 7 percent. If this does not happen, the government will declare that rate to be binding.

11949

CSO: 3103/619

TRADE BALANCE DATA PROVIDED

April 1981, 1982 Comparison

Nicosia TA NEA in Greek 30 Jul 82 p 3

/Text/ The April 1982 trade balance deficit marked a 74.5 percent increase compared to the corresponding 1981 month. According to the April 1982 Foreign Trade Statistics which are issued by the Statistics and Research Service, the deficit in the month under study was 23,822,000 pounds compared to 13,648,000 pounds in April 1981. Also the April 1982 imports increased by 11,689,000 pounds or 35 percent compared to the imports of the corresponding month in 1981. Specifically: In April 1982 the imports reached 44,736,000 pounds compared to 33,047,000 pounds in April 1981. In April 1982 the total exports reached 20,914,000 pounds compared to 19,399,000 pounds in April 1981. They marked, that is, an increase by 7.8 percent.

April Deficit Lower

Nicosia O AGON in Greek 30 Jul 82 p 8

/Text/ The April 1982 trade balance deficit of Cyprus reached 23,822,000 pounds compared to 32,717,000 pounds in March 1982 and to 13,648,000 pounds in 1981 according to the official foreign trade statistics. According to the same statistics 46.1 percent of the Cypriot imports in April 1982 came from EEC countries, 15 percent from Arab countries and 3.4 percent from East European countries. The Cypriot exports were channeled mainly to EEC countries (41.4 percent), to Arab countries (41.5 percent) and to East European countries (4.1 percent).

7520

CSO: 4621/488

BRIEFS

STATISTICS FOR 1982 UNEMPLOYMENT--A special report by the Popular Bank states that the 1982 unemployment will be around 6,000 persons or 2.9 percent of the economically active population and that the crisis has hit the construction sector in particular. It is expected that in 1982 the number of unemployed construction workers will exceed 1,200 or 20 percent of the total unemployed compared to 17 percent in 1981. On the other hand, the unemployed in industry will reach 750 or 12.5 percent of the total unemployed. In contrast, unemployment in sectors directly connected with tourism--with services and trade, that is--(including hotels and restaurants) is expected to drop. The unemployment in both sectors is not expected to exceed 1,300 or 12 percent of the total unemployed compared to an average of 25 percent during the 1980-81 period. The report states also that the unemployed university graduates totaled 1,150 or 20 percent of the total, while the total number of unemployed men in 1981 increased by 73.5 percent to 3,600 in 1975. The report concludes that from a macro-economic point of view, to assure a steady and permanent solution, it is necessary to create a satisfactory number of new employment opportunities and, moreover, at an annual rate higher than the rate of increase of the economically active population whose annual average for the 1975-81 period was almost 1 percent. Only in this way will the unemployment percentage be able to drop to desirable lower levels. /Text/ [Nicosia TA NEA in Greek 25 Jul 82 p 10] 7520

CSO: 4621/488

CANADA'S FISH SALE TO U.S. COMPOUNDING ECONOMIC CRISIS

Stockholm DAGENS NYHETER in Swedish 20 Aug 82 p 11

[Article by Kicki Borhammar: "Fishing Crisis Heavy Blow to Iceland; Economy on the Brink of Ruin"]

[Text] Reykjavik, Thursday--Economic collapse once again threatens in Iceland. The fishing industry is undergoing a crisis, the deficit in the foreign exchange is growing at record speed and inflation is expected to shoot up to 80 percent of 1983.

The coalition government in power has difficulty agreeing on forceful measures to halt the development, and new elections may become necessary during the fall.

Where the coins of the world are usually decorated with royalty or leading statesmen, the Icelandic 1-krona has a fish instead. The symbol did not get there by chance. On the contrary, it is precisely the fish which gives the krona its value. If the fish disappear, so does the economic independence of the little island nation.

Half-Empty Nets

This is what happened in 1967, when the herring disappeared, followed by unemployment and high inflation. And this is the case now in 1982, when the fishing nets are pulled in half-empty and world market prices for fish products are dropping.

Despite many years' efforts to differentiate the commerce and industry of the nation, fish and fish products remain the mainstay of Iceland's economy. The 220,000 inhabitants of the nation last year had a fish export which, calculated in tons, made it the 13th largest fishing nation.

In this manner the economy of the country becomes extremely sensitive to the slightest change in the catch of the fishing fleet, and the everyday lives and standard of living of the individual Icelander is, regardless of the name of his employer, tightly bound to fish prices and to wages in the fishing industry.

Competition

Speaking of a crisis is therefore justified, since it has turned out that the value of the first six months' catch was 17 percent lower than during the same time last year.

This is not only due to bad fishing luck. The Icelanders also have an increasingly difficult time keeping up with international competition.

Canada has succeeded in conquering large portions of the U.S. market which previously belonged to Iceland. Declining world market prices also contributed to the fact that for example fishmeal factories have been forced to close and the need for labor in the entire fishing industry is decreasing.

At the same time as exports are declining imports continue to be large, and the government's own economic advisers expect about a 9-percent deficit in the exchange balance. The prognosis submitted by the state economic institute is very pessimistic.

The foreign debts are expected to increase, and inflation at the end of the year is estimated to be 60 percent, in order to continue to grow to about 80 percent during 1983--if nothing is done.

The members of government agree that something must be done, however. The problem is only what. During the two latest rounds of wage negotiations the country's large wage-earner organization--Iceland's LO /Swedish Federation of Trade Unions/--was forced to agree to a cut in the special cost of living supplements paid every 3 months in order to partially compensate for inflation.

The government's attempt to use legislation in order to force other wage earners to accept the same conditions has angered people, and the mood in the ranks of the wage earners is irritable.

Criticism

The workers feel that they have assumed enough responsibility, and the discussions over the last few weeks about solving Iceland's economic crisis by eliminating the cost of living supplements entirely has caused all of the wage earner organizations to say stop. Criticism of the government is growing and it resignation is demanded by opposition politicians.

There are also protests within the government itself, which consists of the People's Alliance, the Center Party and five representatives of the more conservative Independence Party. The People's Alliance, which says that it is based on socialism, has difficulty agreeing to measures which primarily affect those with low wages, and there is great risk that the economic crisis will also become a political crisis.

Within the People's Alliance, for example, it has been deemed necessary to warn the party's voters that new elections may come as early as this fall.

Crisis Meeting

Prime Minister Gunnar Thoroddsen, who broke with his own party--the Independence Party--in order to form a government, has not given up his attempts to find a broad solution, however. At the beginning of August he called the partners in the labor market to a crisis meeting in order to create greater understanding for the measures which must be undertaken to get Iceland's economy back on its feet. The next few weeks will show whether he succeeds.

11949

CSO: 3109/226

ONE-BILLION-DOLLAR MILITARY EQUIPMENT SALE TO EGYPT

Madrid EL PAIS in Spanish 20 Aug 82 p 29

[Article by Salvador Arancibia: "ENASA and Bazan Will Export Vehicles Worth 110 Billion Pesetas to Egypt"]

[Text] Next Saturday, the deputy prime minister for economic affairs, Juan Antonio Garcia Diez, accompanied by the president of the National Institute of Industry (INI), Carlos Bustelo, will visit Egypt to formalize through an agreement between Egypt's Ministry of Defense on one hand, the National Truck Manufacturing Enterprise (ENASA) and Bazan National Enterprise on the other, a deal worth \$1 billion (about 110 billion pesetas) for the delivery of some 4,000 vehicles and eight naval craft through 1986. The new agreement to be signed at the end of this week implies the ensconcement of ENASA in the Middle East market, which is opening its doors to increased cooperation with this enterprise in that area.

The National Institute of Industry seems to be aware that the only way to render a good portion of INI's member-firms profitable is through a substantial increase in their level of sales which, under existing conditions, calls for a marketing effort abroad that has not been achieved so far. For that purpose the efforts of the INI have centered on finding buyers abroad, the results evidencing a spectacular upswing so far. For while in 1981 the percentage of exports compared to total sales grew by 30 percent, in the first 6 months of 1982 it increased by some 50 percent compared to the corresponding period of 1981. All of this involved aggregate sales of 1.2 billion pesetas in 1981 with prospects that in the current fiscal year turnover will approach 1.5 billion pesetas.

The agreements which the deputy prime minister, Jose Antonio Garcia Diez, and INI's president, Carlos Bustelo, will formalize next weekend in Cairo relate to the sale of 3,000 trucks similar to those used by the Spanish Army, 200 buses, and 600 military vehicles for a value of \$400 million, with delivery scheduled during 1983-85, as well as eight naval craft--two corvettes of the "Descubierta" class and six patrol boats of the "Cormoran" class--whose delivery deadline is in 1986 and which cost \$600 million.

According to INI sources, this deal is the consequence of contacts initiated a few years ago and which led to the signing of two earlier agreements

thanks to which ENASA sold 2,650 military trucks and 500 buses initially and subsequently undertook to deliver 5,000 more trucks. These two agreements were signed in April and July 1981, respectively, with the final delivery deadline occurring in 1983. The new agreement makes it possible for ENASA to expand in 2 years its commitments to the Egyptian Ministry of Defense, a development which represents sizable profits for the Spanish firm.

Middle Eastern Deal

Sources of the National Institute of Industry have not hesitated in characterizing these agreements as the most important ones with third countries, ever for the Spanish economy, noting at the time that they would open the doors to further cooperation with Middle Eastern countries, especially Egypt. This could lead to new dealings that would open the possibility of investments by some public enterprises in that area, once the presence of Pegaso [Pegasus] trucks appears to be secured after these vehicles are modified for use in terrain different from that in Europe.

"It should be taken into account that, through this new contract now being formalized, 10,000 Pegaso vehicles will be moving about in the Egyptian desert. This represents a good trump card for the products manufactured by this firm," INI sources noted, commenting on the practical impact of the officials' trip to the Egyptian capital. The determination that these trucks circulate and stand up to such conditions of use is confirmed by the fact that there are other countries interested in the possibility of purchasing such trucks, according to these same sources.

Both for ENASA as for Bazan, the agreement signed now provides significant relief for their financial situation, as sources close to the INI have not hesitated to declare. With the agreement which will now go into effect, ENASA will provide full employment to a total of between 2,500 and 3,000 workers who represent 25 percent of the existing work force. This fact assumes major importance if one considers that most of them will be employed at the Valladolid plant, the one which witnessed the most acute employment problems in the plans of the enterprise. For the Bazan National Enterprise situation is fairly similar given that the six patrol boats will be built at the El Ferrol shipyards which were practically idle.

The most important foreign trade transaction realized so far by enterprises belonging to the National Institute of Industry was made possible thanks to the inclusion among other specific features of favorable financing terms negotiated simultaneously through a credit from development assistance funds and the opening of a customer's line of credit, that is, one made available to the Egyptian Ministry of Defense by the Foreign Bank of Spain. According to reliable sources, the financing of \$1 billion is divided into two parts: 15 percent will originate from funds of the Development Financing Aid (FAD) with a 20 year repayment period and bearing low interest, while the remaining 85 percent will come from credit extended by the Foreign Bank of Spain.

NEXT GOVERNMENT WILL HAVE TO DEAL WITH LARGE BUDGET DEFICIT

Stockholm DAGENS NYHETER in Swedish 20 Aug 82 p 7

[Article by Sven Svensson: "The Social Democrats Could Also Be Forced to Tighten the Belt"]

[Text] Government spending is growing much faster than the revenue. The 12-billion-kronor savings promised by the Falldin government for the 1983/84 fiscal year is only enough to prevent the gap between spending and income from growing. In a governing position even the Social Democrats would be forced to raise taxes or employ belt-tightening measures in order to prevent the budget deficit from growing.

This year's deficit amounts to approximately 75 billion. The deficit means that the state pays out this amount directly to the citizens or indirectly through the municipal regions without the funds being covered by the corresponding income. The deficit is covered by borrowing in Sweden or abroad. The total national debt has grown to 300 billion, and 50 billion of that is borrowed abroad.

The government's revenue for the present fiscal year, 1982/83, is 180 billion. According to the experts at the Ministry of Economics, the income for the 1983/84 fiscal year will increase by 8.6 billion. The calculations are based on the government's long-range budget with estimates of the wage development.

Savings Background

Spending for the 1982/83 fiscal year is 257 billion and is expected to increase by 19.4 billion without a single new measure.

In the budget which will be presented in January next year and which will include the 1983/84 fiscal year, savings of 10.8 billion are therefore required in order to prevent the deficit from becoming greater than 75 billion.

This in turn forms the background for the Falldin government's statement, that the starting point for the budget work must be savings of 12 billion for 1983/84.

In their election manifesto the Social Democrats have promised to tear up the parliamentary decisions regarding reductions in health insurance, unemployment

insurance, child care payments and pensions. These changes are to be implemented even in this year's budget and be financed through a few percents' increase of the VAT and a half-percent increase of the employer surcharge. These tax increases will also be needed in the future in order to finance these decisions by Parliament.

Growing Item

In order that the budget deficit for 1983/84 should not get even larger because revenue is growing more slowly than spending, the Social Democrats must either raise taxes even more or implement savings similar to those planned by the non-socialists.

The interest costs for the national debt is the most rapidly growing item in the budget. The costs for the present year amount to 40 billion and are expected to increase to 70 billion in 5 years without significant increases in the budget deficit. If the budget deficit were to grow even further, the interest costs would grow correspondingly.

The 12 billion-kronor savings planned by the Falldin government for the 1983/84 fiscal year are based on unchanged rules for the government activity.

Transferred Money

The savings must mainly apply to the transfers, that is to say the transfer of money from one group in society to another.

The transfers make up 70 percent of the total government spending, that is to say about 175 billion. The transfers increase more rapidly than any other item in the national budget.

The five largest transfer items to private persons are:

General pensions	37.3 billion
Subsidized interest payments for housing	9 billion
Child support payments	5.2 billion
Health care and parental insurance	4.4 billion
Food subsidies	3.3 billion

The four largest transfers from the state to the municipal regions and their inhabitants are:

Contributions for schools	18.4 billion
Tax equalization contributions	10.3 billion
Contributions for preschools and day care centers	7.1 billion
Support for health care and social domestic help	5.4 billion

Demands Are Cut Back

The funding requests of the government agencies for the 1983/84 fiscal year are to be submitted by 1 September. The total of these funds seems to increase by

85 billion instead of the not quite 20 billion on which the government's long-range budget is based.

Before the budget work the government has ordered the state agencies to expect a cutback in activity by two or five percent. It is only the higher alternative which yields enough savings in accordance with the so-called salami-slicing principle.

The income and spending calculations of the long-range budget are sensitive to changes in the economic situation. Larger wage increases than calculated provide more tax revenue, but if it means higher inflation the debit side will grow even more rapidly.

If interest rates are raised one percent over 5 years, the cost of interest for the national debt goes up by 4 billion, the experts of the long-range study say.

Labor market measures for another 40,000 unemployed, which is the equivalent of a one-percent increase in unemployment, is calculated to cost 2 billion per budget year.

An increase in construction by 10,000 new apartments will cost the state 3 billion in new spending over 5 years.

11949

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MUCH OF FOREIGN BORROWING BLAMED ON PUBLIC SERVICE COSTS

Stockholm DAGENS NYHETER in Swedish 21 Aug 82 p 6

[Article by Kerstin Kall: "Loans Grow and Grow Despite Cutbacks"]

[Text] In this year's election debate we constantly hear excited politicians talk of restraint, investment, stimulus, expansion and savings. There seems to be total disagreement.

But behind all the angry attacks and hot debates lies a fact with which all politicians, regardless of party affiliation, agree: The basic problem in the Swedish economy is that we have much too large a deficit in our foreign trade. And that the foreign debt is growing and growing each year.

The disagreement concerns what can be done about the matter.

The following, however, are the facts of the basic problem, as we analyzed it in cooperation with Lillemor Thalin at the economic department of the Commercial Bank.

Since the first oil crisis, when our import expenditures increased because oil became more expensive, we have piled up foreign debts. Sweden has had a constantly growing deficit since 1975, with the exception of one year.

Sweden is of course not alone in doing this. Other industrial nations as well incurred larger deficits in their foreign trade when oil became more expensive.

Faster Here

But in Sweden the foreign debts have grown faster in the last few years in relation to the size of the economy than in other industrial nations.

Consequently, one of Sweden's major problems is the rapid growth of the foreign debt.

The other major problem is the use to which Sweden has put the borrowed money.

It is not dangerous to borrow money if it is used for something constructive, for investments, for example, which result in the ability to repay the loans.

At the beginning of the 1900's Sweden also had a large foreign trade deficit.

But at that time the money, borrowed from England and other nations, was used for building railroads, founding factories and other things which caused industry to grow and provided goods to be sold abroad.

'Eaten up'

In contrast, the money we have now borrowed has been "eaten up." In point of fact we did not buy so many more clothes, foodstuffs and gadgets with it, but we used it for things such as day care centers, health care, housing subsidies and other public services--in essence for things which we all want, to be sure, but which unfortunately cannot be exported and used to earn money with which to repay the loans.

For several years now the government has applied the brakes. But the deficits have nevertheless increased each year, because we have to pay interest on the debt we have already incurred.

Sweden's foreign debt is now calculated at about 80 billion kronor (80,000,000,000 kronor), which is 13-14 percent of the gross national product (GNP), that is to say Sweden's total production of goods and services.

The amortization of the foreign debts can perhaps be delayed. But the interest must be paid each year.

This year it looks as if we might achieve a surplus in the trade of goods with other nations. Were it not for the foreign debt, Sweden would have had no deficit in the exchange of goods and services with other nations this year.

Large Interest Debt

But now we have a large debt, and interest in the amount of about 15 billion kronor must be paid. That money has to be borrowed, and this further increases the foreign debt, which results in even higher interest payments next year.

This is the development of the interest burden during the last few years:

In 1980 Sweden had a foreign exchange deficit (the total exchange of goods and services with other nations) of 18 billion kronor. Interest payments for the foreign debt were about 6 billion kronor.

In 1981 the deficit had shrunk to about 15.5 billion kronor, after restraint measures and cuts. But the interest burden had increased to 11 billion kronor.

In 1982, meaning this year, we are expected to have a deficit of about 14.5 billion. This entire deficit is due to the interest payments.

For 1983 the economists predict an improved economy, reasonable competitive ability and good export development. But interest payments continue to grow and increase the foreign debt.

In order to reduce the absolute figures of the debt, from 80 to 70, 60 or 50 billion kronor, an enormous increase in exports is necessary.

Takes Many Years

The national budget deficit--another of the controversial election issues--is a reflection of the imbalance in foreign trade.

It also shows that we have eaten more than we had in the larder, that is to say we consumed more than we produced.

All the politicians are now speaking of concentrating on industry, both that which is aimed at export and that which must compete at home with products from abroad.

It will take many, many years before we can begin to chip away at the gigantic debt.

The political disagreement between the blocs concerns the ways in which to arrive at this and how quickly.

Even now the freedom of the politicians to act is curtailed by the debts and interest payments. The desire might perhaps be to stimulate the economy in order to cope with unemployment. But then we will have more money with which to buy goods, there is risk that the imports will grow and that the price increases--inflation--will accelerate.

The governing parties, the Center Party and the Liberal Party, believe that this risk is very great and emphasize savings and restraint.

The Social Democrats emphasize investments and are of the opinion that industry will not get under way unless the state is prepared to increase its spending --and collect more taxes from all of us.

Only history will perhaps be able to show who is right.

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CA: 3109/226

INDUSTRIAL STATUS OF KOCAELI PROVINCE EYED

Istanbul DUNYA in Turkish 19 Jul 82 p 1 (Supplement)

Interview with Sehabettin Bilgin, Executive Council Chairman of the Kocaeli Chamber of Commerce and Industry; date and place not specified]

[Text] With installations incorporating modern technology and a well-trained workforce, the Kocaeli industrial region now accounts for 10 percent of Turkey's total manufacturing capacity and is the second largest industrial area in this country next to Istanbul. As a consequence of its position on the transportation chain and its production of intermediate goods, Kocaeli is a bridge between Istanbul and the agricultural regions of Anatolia and between the sources of raw materials and plants manufacturing finished products. However, Kocaeli is going through the pains of rapid industrialization. Among issues that need urgent attention are environmental pollution and the population explosion caused by rapid development.

Sehabettin Bilgin, Executive Council Chairman of the Kocaeli Chamber of Commerce and Industry, emphasizes that the Kocaeli industry has a special significance for the Turkish economy as a result of its structure. He adds that the industrialists in the region are well aware that everything cannot be expected from the government and that, however, they are helpless about issues that need guidance from the government.

DUNYA: Honorable Bilgin, what is the significance of the Kocaeli manufacturing industry for the Turkish economy and what functions does it serve?

Sehabettin Bilgin: It would be a great misjudgement to look at the map and to see Kocaeli as a window into Anatolia or to think of it as a transit town.

Any traveller with a keen sense of observation passing through the province will immediately see that with a population of almost 700,000, Kocaeli is the fastest growing province after Istanbul, Ankara and Hatay, that 53.7 percent of the population lives in urban areas and that there is a rapid urbanization trend. Most importantly, the traveller will immediately feel that he is going through industrial tunnel 100 kilometers long. He will also see that he is travelling from one corner to another of an economic triangle in northwestern Anatolia formed by Istanbul, Kocaeli and Bursa.

Throughout history, Kocaeli has been a transit and port city. It started becoming an industrial city as a result of industrial investments which began in the 1960's and accelerated in the 1970's. Today, this structural change has assumed greater proportions as a result of the adequate presence of suitable conditions.

According to 1980 figures, the output capacity of the Kocaeli manufacturing industry accounted for 13.8 percent of Turkey's total output capacity. With that figure, Kocaeli ranks as the second largest industrial city in Turkey next to Istanbul. The most important characteristic of the province's industry is the fact that its manufactured products are used as raw and auxiliary materials in other industries. Being of a generative nature, this structural characteristic obviously carries great significance for the economy of the country and the expansion of the industrialization movement. The most clear proof of this fact is that 39.9 percent of all capital goods produced in Turkey--which are considered to be basic goods--are manufactured in Kocaeli. The total production capacity of the province in 1980 was 390 billion Turkish liras in current prices. An internal breakdown of the Kocaeli manufacturing industry gives the following composition figures: Intermediate goods 87.7 percent; capital goods 9.8 percent; and consumer goods 2.5 percent.

The contribution of public enterprises in our province to the economy of the region is an undeniable fact. Furthermore, the operation of giant chemical and metalworking industries within the borders of the province is enlarging our economic scope.

According to 1980 figures, 49,000 workers in Kocaeli have, with their superior efforts, elevated 295 medium-size and large institutions to a significantly high output level. Electrical power consumed by the manufacturing industry in 1980 was 1.4 billion kilowatt-hours. Expansion investments in 1980 amounted to 8.9 billion Turkish liras. The composite value of the contribution of the Kocaeli manufacturing industry to the economy of the country was 95.3 billion Turkish liras [in 1980].

The export value of the products of the Kocaeli manufacturing industry has also assumed significant proportions. In 1980, 64 different kinds of industrial products were exported procuring a revenue of \$93.7 billion. The fact that exports rose by 94.9 percent in one year is in itself significant. It is also noteworthy that 31.2 percent of the exports go to Middle Eastern countries.

Parallel with the industrialization and urbanization of Kocaeli, there has been a steady decline in the agricultural sector of the province. The most important factors in this decline are the rising factory stacks and housing units on arable land. According to 1980 figures, agricultural income in that year was 3 billion Turkish liras. Of that, 2 billion Turkish liras came from produce farming and 1 billion Turkish liras from animal rearing.

The trade and light industry sectors have not been able to keep pace with the growth of the heavy industry sector as a result of the predominance of Istanbul in those fields. Today, there are around 20,000 small businessmen and artisans in Kocaeli, but their number is inadequate and they are not well-organized. However, I believe that the developments of the past few years will remedy this situation. The opening of the Gulf of Izmit Industrial Park, which will provide working space for 1,180 enterprises on an overall area of 270,000 square meters,

and give the opportunity to integrate the small industrialists with large industry within the industrialization drive of our province.

YILMAZ: What is the government doing in exchange for the benefits provided by the industrial economy and is it adequate?

Leventtin Bilgin: The Kocaeli province continues to be one of the most important financing resources of our country's treasury. However, despite this potential, Kocaeli received only 1.64 percent of Turkey's investment budget in 1981. The allocation of most of that money was made on the basis of the distribution of certain State Economic Enterprises. Of a total investment allocation of 11 billion Turkish liras, only 2.2 billion Turkish liras was earmarked for infrastructure spending. On the other hand, Kocaeli has major infrastructure problems as a result of its rapid growth. The best example of this is the fact that the Izmit-Istanbul Highway still remains incomplete after so many years hurting Kocaeli as well as all of Turkey.

YILMAZ: What are you doing to increase the government's contribution? What results have been obtained so far?

Leventtin Bilgin: The industrialists and the businessmen of our region have given good examples of how everything cannot be expected from the government. However, they remain helpless about issues that need guidance from the government.

For example, frequent flooding in the Gebze-Dilovasi area, one of the most densely industrialized regions of our province, used to cause extensive damage to life and property in the area. Following sustained efforts by our industrialists in cooperation with the DSI [State Hydraulic Affairs Directorate General], a project was prepared speedily to tame the Dilderesi creek. Working under the leadership of our chamber, our industrialists set up a trust fund worth approximately 1 billion Turkish liras for this purpose and hired contractors to build the project. Apart from this good example, efforts are under way in connection with projects to prevent flooding and to find adequate supplies of industrial water for the Ceviröva Industrial Region.

We have also done detailed work to find regional solutions to the energy crunch, which is an important problem for all of Turkey. Energy commissions have been set up in order to establish control mechanisms on the energy transmission lines used by our industrialists, to insure the rational usage of energy and to overcome this general problem with minimum pain. All problems in this area can now be solved speedily by these commissions. Studies show that each hour of power cuts in 1981 caused a production loss of 55 million Turkish liras to our province. The spirit of solidarity shown in connection with the usage of energy is an evidence of our industry's contribution to the government.

As a result of the insistence of our chamber and the efforts of the Kocaeli province authorities and the Izmit Municipality, the issue of removing the railway line from the center of Izmit has now reached a resolution stage. We can now enjoy the benefits of removing from the center of the city a railway line which obstructed city traffic as well as social and business life.

We were very glad that our requests to have the port facilities of the Kocaeli province expanded--with particular emphasis on investments for the expansion of the Derince Port, which serves the hinterland of Izmit--were met. These investments are rapidly becoming inadequate, but we are certain that our government will take new steps to remedy that situation.

Our industrialists used to lose considerable amounts of time as a result of the lack of a customs laboratory. Our chamber worked to remedy that situation, and, today, our province has the good fortune of having a customs laboratory.

The rapid development of our province, caused by the explosive growth of industry and a significant rise in industrial exports, has made the presence of certain institutions in Izmit imperative. One such case is the need for the opening of a Central Bank branch in our province. We are happy to say that as a result of our efforts preparations are under way to open a Central Bank branch in our province. Here, I would like to thank the officials concerned for realizing this need and accelerating their efforts.

However, despite our intensive efforts, we still see problems in connection with infrastructure investments, which may remove several stumbling blocks in that area.

One problem in this area pertains to the development of communication facilities. It is evident that good communications are very important for procuring raw materials, production, marketing and, consequently, exports. This interdependence makes the expansion of the communications services imperative.

Here, I would like to dwell upon the Gebze Organized Industrial Region. As is known, unplanned industrialization causes disorderly investments beside wasting resources. Organized industrial regions were seen as a solution to this problem, and their implementation has, so far, produced positive results.

It is a fact that social life and industrial establishments are intermingled with each other in Istanbul and Kocaeli. In both provinces, it is becoming increasingly important to move industrial plants away from central residential areas and to invest in purely industrial regions. It appears that it will be necessary to start organized industrial regions in both provinces as a partial solution at the beginning.

The Turkish Union of Chambers prepared a preliminary project for the Gebze Organized Industrial Region in June 1978 and filed Application 21/394 on 19 February 1975 with the Cadaster Office of the Ministry of Reconstruction and Resettlement. Subsequently, the Cadaster Office declared a 250,000-hectare plot as public land. This plot lies 6 kilometers to the north of the Gebze residential area and to the north of the Istanbul-Izmit highway; it is 95 kilometers from Istanbul and 50 kilometers from Izmit. The Gebze Organized Industrial Region consists of 179 sites, of which 81 have areas varying between 4,500 and 8,000 square meters, 84 have areas varying between 7,000 and 20,000 square meters and 14 have areas varying between 20,000 and 80,000 square meters.

However, there has been no progress on this project. This project has been put in cold storage with the purpose of not making new additions to the existing industrial potential in the Gebze region and spreading industry in the province more evenly.

Consequently, industry in the area is developing in an unplanned manner. In that realization of the Gebze Organized Industrial Region project is an absolute necessity for new investment ideas and planned industrialization in both Kocaeli and Istanbul.

At this stage we are waiting for the State Planning Organization and the Ministry of Industry and Technology to issue the necessary permits for the establishment of the Enterprising Delegation for the Gebze Organized Industrial Region and to conclude the preliminary work on contributing to the functioning of this delegation.

Our chamber has paid particular attention to encourage the development of the silk and carpet industries, which have occupied prominent places in exports in the last few years. The development of the carpet industry is important from a viewpoint of utilizing the idle workforce in rural areas. In various meetings, we submitted to high-level government officials reports on finding ways of solving problems which exist in the production of Hereke-type silk carpets, since these carpets are in high demand overseas. I believe that we were also helpful in the formation of the National Committee of Silk and Silkworm Farming, which has facilitated a centralized approach to this issue.

As I stated before, as a result of its position at the heart of the transportation network, Kocaeli has become a province undergoing an extensive industrialization and a rapid urbanization process.

DUNYA: What problems has rapid industrialization created? What steps are being taken to alleviate these problems?

Sehabettin Bilgin: The problems of rapid industrialization can be grouped under the following main headings: Infrastructure problems, urbanization and housing problems and environmental pollution. I stated my views pertaining to infrastructure problems at the beginning of this conversation. Now, I would like to talk about our efforts and views on environmental pollution to the extent that it interests us.

Our homeland is one of the rare countries in the world which have extensive water resources. Our country is surrounded by seas on three sides, has rivers totaling 11,540 kilometers in length and lakes totaling 9,810 square kilometers in area.

Although Turkey is currently utilizing a limited portion of this large potential, we are confronting a serious water pollution problem.

It must immediately be stated that the only reason for this situation is the fact that, despite the rapid pace of industrialization and urbanization in Turkey in the past few years, our country has a planning structure so poor that it can be considered nonexistent.

The Marmara Region, which accounts for the largest concentration of population and industrial and business centers in our country, has displayed the first signs of water and general environmental pollution problems. In the Marmara Sea, which, virtually, is a land-locked body of water, the pollution of the Golden Horn and then the gulfs of Izmit and Gemlik has become a problem which needs an urgent solution.

The Kocaeli Chamber of Commerce and Industry has been concerned with the pollution of the Gulf of Izmit since 1968.

The Kocaeli region, which has a predominant place in the economic development of our country, is one of Turkey's fastest growing regions in terms of industrialization and urbanization.

The current polluted state of the Gulf of Izmit is due to the following factors:

--Residential waste water;

--Industrial waste water.

--Bilge water and other oil-based waste spilled by ships while they are transiting through or docking in the gulf;

--Silt and eroded soil carried by rivers and streams;

--Fertilizer and agricultural chemical waste from cultivated areas.

The Kocaeli industry, which was seen as one of the sources of pollution after the issue gained prominence, supported the "Control of the Pollution of Izmit" project developed by TUBITAK [Turkish Scientific and Technical Research Organization] in 1972 in an effort to control and monitor more carefully the effects of industrial production on the environment and to tackle the issue on a scientific basis.

Following this project in 1972, the Kocaeli Chamber of Commerce and Industry developed another package of projects aimed at determining the amount of pollution caused by industry in the first stage and controlling this pollution in the second stage. These projects are being implemented at TUBITAK's Marmara Research Institute in Gebze and are being financed by various industrial organizations. So far 34 industrial organizations have provided facilities for the study of their waste with the coordination of our chamber and 4 organizations are already drawing up projects of their own on this issue.

Turkey is handicapped by certain factors in the solution of environmental problems. These factors can be listed as follows:

1. An inadequate supply of trained experts on this issue;
2. Inadequate technological knowhow;
3. Problems arising from legal formalities;
4. Financing and foreign currency shortages.

We believe that industrial pollution in the Gulf of Izmit is currently being seriously and radically tackled on a scientific basis. The presence of TUBITAK's Marmara Research Institute in our province and TUBITAK's efforts on the regional aspects of this universal problem constitute a great advantage for Kocaeli.

However, these efforts concern only industrial waste. We hope that authorities will show the same serious and scientific approach with respect to other sources of pollution.

SITUATION OF PASOK-KKE RELATIONS ANALYZED

KKE Willing to Cooperate

Athens RIZOSPASTIS in Greek 1 Aug 82 p 3

[Article by Mimis Androulakis: "KKE's Challenge for Unity"]

[Text] KKE's insistence on a common action of the progressive forces in the municipal elections and on all the fronts of struggle; its view that the promotion of real change requires a democratic government based on the cooperation of all those forces that favor the change and on the popular movement; and its readiness to contribute to such a solution constitute significant elements in the country's political life.

Press comments ranged from the charge that KKE is insincere and instead wants to wage an "exhaustive war of attrition" against the government--as AVGI wrote--to the view that KKE wants to participate in the government "French style," as NEA wrote.

Nine months after the election, the discussions on the tactics of the parties and the agonizing over the course of developments take ever new dimensions in all areas.

What is the element that must change in the government's policy and how can KKE contribute positively to such a change? Has the government's policy been limited to certain democratic reforms in the context of a new management of state-monopolistic capitalism, as shown by the events? Or is it simply a temporary tactical retreat, a tactical maneuver, as is often said within PASOK? These questions exist, anyway, among the masses supporting change and they invite us to a good faith dialogue.

Let us suppose that PASOK assesses differently from us the correlation of forces and limits itself during this phase to a "democratization-modernization," as it often states, to create a more favorable correlation of forces. If we open the discussion along the lines of the PASOK logic--with which we do not agree--what contradiction do we find, what critical observations can we make, what reorientations can we propose?

First: The democratic reforms, however positive, must be accompanied by an initial minimum cluster of anti-monopoly and anti-dependence changes. Otherwise, those reforms are absorbed by the system; they do not challenge the dominance of the

monopolies; they do not create a dynamic toward the real change; they do not change in reality the correlation of forces.

Of course, we do not criticize the government for not moving immediately to a comprehensive and frontal clash with the monopolies as stated by [ND leader] [Verof]. We criticize it for not moving toward an initial minimum cluster of changes containing a framework of control over the activities of the monopolies, the broadening and the anti-monopoly functioning of the public sector with new public productive investments, certain nationalizations and the like.

A democratization-modernization, unrelated to the ripe anti-monopolistic, anti-imperialist changes, would founder on the way in today's deep crisis of the system, would lose the consent of the masses, lead to an impasse and charge the government's policies with the consequences of the crisis. It is clear, then, on what basis the government's policy must be placed to leave the way open for the true change.

Second: If [the government] truly tries to bring about a more favorable change in the correlation of forces in favor of the change, there must be a way of exercising government policy which serves this objective. In other words, the way this policy is exercised must be placed back in the direction of seeking support in the popular movement, of the dialogue with the popular organizations and of cooperation with the progressive forces. It is clear that hegemonism, the intensive phenomena of the arrogance of power, the efforts to isolate KKE, the aim of splitting the rank and file of the partisans of change, the violation of the autonomy of the mass organizations, etc., weaken as a whole the front of the forces of change and facilitate the regrouping and counterattack of the Right. They must be overcome.

(On the Criticism)

The government has not moved toward a partial breakup with the monopolies and the imperialist dependence and therefore it does not move forward, at least for the time being, to genuine change. Does this mean that because of that KKE desires the decay of the government and wants to come into conflict with it? KKE was and is opposed to a blind, uncontrolled confrontation between KKE and PASOK which would block a democratic development in the direction of change and would leave the door open to the Right and the oligarchy to come in and undermine [the effort].

KKE struggles directly for a genuine change and seeks to make the goals of this change the immediate objectives of unity and struggle of the mass popular movement. This [KKE] policy has a fundamental difference from the government's specific policy. This does not mean, however, that [KKE's] entire activity and relationship with the government is limited to a dilemma: "Genuine change or nothing." In all its policies so far, KKE underlined that the mass movement must utilize the increased opportunities for the conquest of new positions, to promote partial changes and democratic reforms, to move positively, as much as possible, the government's policy and to create the conditions that will open the way to real change.

Of course, things today are not aligned. We stumble and we are called to solve a contradiction of the current complex situation. On one side, all opportunities must be utilized without hesitation to realize democratic conquests. On the other

side, there must be an effort to deal with the dangers of a reformist backslide in the orientation of the movement, fed to a large extent by PASOK's current policies. These dangers, of course, cannot be dealt with through a general denunciation of the government or by going back into our shell and closing ourselves to the PASOK forces. Our party has tried steadily to develop an open relationship with PASOK in the context of real criticism, without artificial coverup or unnecessary bitterness; a clear presentation of the different profile and policy of the two parties; seeking common points as much as possible; utilizing every opportunity for cooperation on specific issues and more generally in the political area.

The party's critique tries to elevate the radicalism of the masses; to constantly elevate the level of political consciousness and militancy of the popular majority for change; to channel the popular dissatisfaction in the mass movement for change and to prevent the misappropriation of this dissatisfaction by the reactionary forces which want to channel it toward "cooking pot" activities as in Chile.

KKE's critique has no relation to sheer rejection or to a monotonous repetition of the unquestioned retreats of PASOK. It is full of positive proposals with realistic and specific solutions, with positive openings in the direction of change.

Democratic Government

The central political solution proposed by KKE gains tremendous importance. This policy aims at the unblocking of the situation, for a genuine shift in the country's governing toward change which requires a democratic government based on all progressive forces and the organized popular movement. The critical point for this shift, and an imperative need for the change, is the contribution of KKE at the level of governmental power either from a position of support or by actual participation /in the government/ depending on the circumstances.

KKE, of course, does not regard as a panacea its participation in the government. It relates the assumption of its responsibilities in the country's governing with a change both in the content of governmental policy as well as in the way it is exercising it. Such a role for KKE requires that the logic of "assigning" the task of change to a government having a general electoral authorization by the people but without the people must be set aside. The programmatic goals of the government must correspond to the goals of the popular movement. The priorities in the government's goals must correspond to the potential of the popular movement, the correlation of forces which it creates.

KKE, underlining the necessity for such a government, does not do so just to join in this "game" of "power." Even more, a new role for KKE with regard to governmental power cannot be used as an alibi to coverup the social-democratic management of the crisis, nor can it have any relation to securing "social peace" or to the calming down of social conflicts and to the silencing of the popular movement in the way envisioned by certain enlightened bourgeois and "realist" reformists.

Such a role for KKE must be based on the maximum possible development of the popular movement with goals and forms of struggle which will turn the movement into a lever for the change and which will strengthen the front of the forces of change.

This solution presented by KKE is the only one that can neutralize the various schemes and alternative solutions of the ruling class. This solution will give new impetus and a positive political prospect for the popular movement. It will unify popular masses that remained passive because they did not see on the horizon a better and more realistic solution than the one today. It will fire up the unifying hopes and the self-confidence of the people.

This solution does not refer to a future, indefinite political map of the country. First of all, it starts from the present reality and will become possible through the dynamic of development in the rise of the popular movement, the positive differentiations and realignments in the broad progressive area, with the rising role and influence of the party and the reaffirmation of its increasing ability to act directly and effectively to the benefit of the people in the various sectors and the political life in general.

KKE is addressing this unifying, democratic and comradely challenge to PASOK and the other progressive forces. The challenge, in any event, will become the catalyst of positive and unifying processes within the people and the progressive political forces.

Thirty seven years after the country's liberation, 8 years after the fall of the junta and 9 months after the defeat of the Right, it is becoming obvious that there cannot be real steps of progress and change without KKE's actual participation. As stated by the party's Central Committee in a recent communication, this will become a new starting point in the country's life. The force of reality, the needs of change and the demands of the masses will prove to be much stronger than the reaction of the oligarchy and the foreigners as well as the delays and the taboos which are found even among the progressive forces.

PASOK-KKE 'Moratorium' Reported

Athens TO VIMA TIS KYRIAKIS in Greek 8 Aug 82 p 6

[Article by Spyros Linardatos: "PASOK-KKE: The Other Moratorium"]

[Excerpts] A kind of "moratorium"--to use a fashionable term--has been in effect in the relations between PASOK and KKE but without a specific agreement. Criticism against each other has not stopped, of course, nor has the confrontation on specific issues of domestic and foreign policy. But the tone of strong polemics has toned down and at the same time, side by side with the criticism, KKE at least has increased its "unity" sounds, as one can see by simply reading the publications of [KKE] the party of the orthodox communist left. This is certainly a positive development, like anything else that contributes to less friction in our political life and a more creative dialogue. It is interesting, however, to search for the real causes behind this development.

It is certain that during the meeting between A. Papandreou and Khar. Florakis the relations between the two parties and the possibilities for cooperation in the municipal elections were discussed. No agreement was reached except for a common understanding that it is not useful for the democratic developments and for the change to continue the intense confrontation between the two parties for which KKE

always accuses PASOK, claiming that PASOK "started the attacks" with the statements of its Central Committee, etc. In any event, it is a fact that KKE had begun to tone down, even before the Papandreou-Florakis meeting, its anti-governmental polemics which had taken the form of words and deeds such as the attempt to prevent the premier from speaking at Argostoli in May, its active participation in the strike of banking employees, etc.

There is no question that it is to the interest of PASOK--which as the country's government is having great trouble in its effort to stabilize and rekindle the economy and is meeting with objections to the institutional changes it tries to introduce--to normalize its relations with the third party in terms of power and number of deputies and which has considerable influence in the labor movement. PASOK on its part, indirectly (the case of the Kyprianou-AKEL agreement, etc.) and directly in practice and verbally, has made clear that it has no intention to form a "popular front."

Many attribute the toning down of the conflict between KKE and PASOK to the forthcoming municipal elections and the fermentation related to them. It is very probable that the municipal elections played a role in the detente between the two parties. In certain municipalities and communities PASOK and KKE out of necessity are supporting common candidates and tickets (in Volos, Giannina, Amfilohia, etc.). Elsewhere they will support different candidates and tickets and inevitably they will compete. In any event, as we noted, PASOK has made clear that it does not envisage a general agreement with KKE for cooperation throughout the country in the municipalities and communities.

It appears, however, that KKE's "shift" to a "softer" policy toward PASOK is not opportunistic and is not tied only to the municipal elections. For this reason PASOK will continue even without the satisfaction of KKE's demands and goals for "cooperation" in the municipal elections, even if there are signs, as a result of such a development, of a return to the polemics between the two parties. Because the most probable cause for this "shift" is the assessments which are not far from what we said in a previous report, namely, that the harsh polemics against PASOK and the active opposition to the governmental policy undermines the government and favors the Right without bringing any partisan benefits to KKE.

"Shift"

Therefore, general needs and assessments--and not merely a tactical move related to the municipal elections--dictate KKE's "shift" in its attitude toward PASOK. This, of course, does not mean that the municipal elections do not already put their seal on the tactics of both communist parties [KKE and KKE-Int.] or that they do not have repercussions on their internal affairs causing internal party problems. Following the broad cooperation between KKE-Int. and PASOK in the municipal elections, there is evidence of a much greater flexibility in its attitude toward the government and a more willing recognition of its positive work, while a faction of its "left" wing campaigns for a very murky and unclear policy of "autonomy." At the same time, it is evident that there will be intense competition in those municipalities--and they are the majority--where PASOK and the smaller parties of the Left support candidates different from those of KKE. Anyway, the coloring in the relations between PASOK and the parties of the traditional Left during the municipal

elections will be given by the situation which will develop with regard to their cooperation in the major cities.

But as is already evident, KKE's tactics toward the government are affected, beyond the municipal elections, by other more general assessments. This of course applies to a lesser degree perhaps to the other parties of the traditional Left.

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CSO: 4621/482

KKE LEADER: NATO NO GUARANTEE AGAINST TURKEY

Athens RIZOSPASTIS in Greek 10 Aug 82 p 3

[Excerpts] Comrade Kharilaos Florakis, the secretary general of the KKE Central Committee, presented in an interview to ETHNOS yesterday the KKE views on the present political situation, governmental policies and the prospects for change. This is the text of the interview [in part]:

[Question] How does KKE view the course of change almost 10 months after the victory of the democratic forces?

Comrade Kh. Florakis: First of all, I think, we must make clear as to what sort of change we are talking about. Today, as you know, many people talk about change but give different meanings to the word.

When we speak about change we mean a policy capable of dealing with the country's great problems with measures aimed at ending our dependence from NATO and the Americans, bringing real democratization, abolition of the greed of the monopolies and economic development for the benefit of the people--a change which will open the way for more radical anti-monopolistic, anti-imperialist, democratic changes toward socialism.

This content was, I would say, the minimum proclaimed before the election by all democratic progressive forces. This is the content expressed by the Greek people by their vote of 18 October. Every person of good faith agrees that the policy or, if you wish, the government measures taken until now, did not deal with these problems nor did they lead to their solution.

It is true that certain democratic measures have been taken and that certain modernizations and reforms have been promoted but these measures, however positive, only repair and modernize the present regime. They do not deal with the major problems of foreign dependence, the greed of the domestic and foreign monopolies, etc. It is not accidental that some of these reforms are accepted by a section of the ruling class which simply tries to see that it has less to pay.

[Question] Are not these months too few to judge the government's policies?

Comrade An. Florakis: (Of course, the time is not long enough to judge the government's work as a whole. But it is enough to tell if the measures it promotes are in the direction of the true change.

The question is not whether it moves fast or slow. The question is where it is going, what its overall orientation is. This is what we are discussing and criticizing. As you know, we do not talk about doing "everything here and now."

On the contrary, we criticize the government for not having moved toward the necessary and possible changes which have matured, as we have said before, in the consciousness of the great majority of the people, and which are allowed by the existing correlation of forces. We understand that it is necessary to prepare programs to escalate gradually the measures of change; however, it is not proper to postpone indefinitely the measures of true change in the name of escalation.

Question If you think that there is an error in the course, what do you think are the corrective changes in the course of the government's ship?

Comrade Kh. Florakis: In our opinion, it is necessary above all for the government's policy to be oriented toward measures which will deal with the problems we mentioned in the direction of true change. The peoples' command, expressed with the electoral victory of the democratic progressive forces giving autonomy to PASOK, was not abstract or "without strings" but very specific, to implement the program for change it had declared.

The second point is for the government to overcome the view that with its parliamentary majority it can take care of the obstacles posed by the reactionaries and of the great task of change. This means that the government must lean on the popular movement and the cooperation of all democratic, progressive forces. In this way it will draw the strength to face up to the difficulties and to overcome the reactions of the Right, the oligarchy and imperialism.

Out of NATO

Question Yet the argument is presented that Greece's withdrawal from NATO will lead the country to international isolation which, among other things, will benefit Turkey.

Comrade Kh. Florakis: How is it possible to become isolated? Times have changed a great deal now. The changes in the modern world are to the detriment of imperialism. Today imperialism is not alone. There are also the socialist countries and the non-aligned countries of the "Third World." Moreover, the imperialist and capitalist world in general has its own feuds and changes which can be utilized by a democratic government in Greece. Anyway, Greece from 1974 to 1980 was out of NATO's military wing. But this did not hurt us; the opposite is true. We did not see the country isolated, instead we think that its prestige had increased. We don't think that there is any question of isolation. On the contrary, out of NATO and military alignments, Greece will find many-sided support to implement an independent, multi-faceted, peaceful policy of friendship and cooperation with all countries to defend its territorial integrity. Be that as it may, most problems with Turkey exist and become more acute as long as we are in NATO. We have a problem with Turkey with

regard to the air space because it is necessary to divide the zones of NATO operational control over the Aegean between the two countries. Outside of NATO there is no problem.

As long as the Turkish reaction sees that we are caged in NATO's framework it becomes emboldened to promote its special ambitions. With Greece out of NATO many things will change in our area.

Turkey will be "surrounded" on all sides by peace-loving countries and it will find it difficult to continue its provocations on behalf of the Americans or for its own goals. Let us not forget, and as Lebanon has proved, that the imperialists do not bargain merely to keep what they have but use what they have to take everything if possible.

[Question] Won't there be any problems of armaments and spare parts for the Armed Forces?

Comrade Kh. Florakis: If there is anything that is easy in today's world it is to procure weapons. There will be no insoluble problem. Even in the event the Americans should ban the sale of such spare parts, something which is not very simple for them, we will be able to find them from other sources in the international market. This has been proven in several cases.

On the other hand, we can and must multiply soon the sources of our armaments and our one-sided dependence on NATO sources.

Our Goal, a Broad Democratic Cooperation

[Question] What is the meaning of the "dystokia" [difficult birth] concerning the municipal elections in Athens, Piraeus and Salonica? Do you seek cooperation? On what basis?

Comrade Kh. Florakis: I don't understand what you mean by the word "dystokia." There is no problem of "dystokia" but a problem of response or lack of response to the need for cooperation by the democratic forces. From the very first moment we said that there should be the broadest cooperation of the democratic forces in the municipal elections.

When we speak of democratic forces we do not rule out any of them on the basis of a common program, equality and correlation of forces as it shapes up in the municipal elections and which is, of course, different from the correlation of forces in the parliamentary elections. We are working in that direction. We have contacts and discussions with various democratic parties and personalities and we will do everything in our power to bring about the widest cooperation on a sound basis. But our own will is not enough. It must be understood by the other forces as well that cooperation requires a spirit of reciprocity.

[Question] How much importance do you attribute today to your campaign slogan that change without [the participation of] KKE is impossible?

Comrade Kh. Florakis: We attribute the importance that is the essence of the slogan itself, that is, "change without KKE is impossible." Now life itself proves the

validity of this slogan. Nine months after the defeat of the Right it is clear that real steps of progress and change in Greece are impossible without the participation of KKE or against it.

Question Does that mean participation in the government as well?

Comrade Kh. Florakis: It is possible that some people are surprised when they hear about it, for one reason or other. Yet KKE has engaged in great and prolonged struggles to bring change to our country. Therefore, it is absolutely natural for KKE to want to contribute to the cause of change, assuming its responsibilities in governing the country, either by supporting the government or by participating in it.

Such a contribution by KKE in one form or another is imperative to bring about a democratic development in our country in the direction of a genuine change. Of course, a basic condition if KKE is to support or participate in the government is the latter's decision to push forward a program for the objectives of real change in an anti-imperialist, anti-monopolistic direction based on the organized popular movement.

The 11th Congress

Question Your party has announced the holding of its 11th Congress between 12 and 19 December. When will the congress theses be made public and what will be new in them?

Comrade Kh. Florakis: The preparation of the theses has been completed and will be made public soon. In addition to an accounting of the party's activities in the 4 years since the 10th Congress and the analysis of international and domestic developments, the epicenter of the theses will include an assessment of the new situation which developed in our country after the election and the determination of the party's policy for the promotion of a true change.

In this context the theses will give in a comprehensive way the "targets of true change" which will provide the program for the immediate activity of the communists. These goals provide a specific and realistic response to our people's basic problems in an anti-imperialist, anti-monopolistic direction. They will provide the immediate targets for the united action and struggle of the people. They will also serve as the basis for formulating a minimum program for a democratic government based on the cooperation of all democratic, progressive forces.

The Right Can Be Pushed Aside

Question Do you believe that it is possible to dislodge additional popular forces from the Right? How can this be done?

Comrade Kh. Florakis: Certainly considerable forces can be dislodged. The working people who voted for New Democracy have the same problems, the same hopes as the working people who voted for the democratic progressive parties. In other words, objectively they, too, are interested in the change. Their dislodging will depend

to a large extent on the government's policy. If they see that the government promotes the change, that it solves the country's problems for their benefit and for the benefit of all workers, that it is based on popular unity without any kind of discrimination, they will break away from the prejudices and from their dependence on the Right and they will politically join the popular majority of change.

The Right is bankrupt in Greece, and can indeed be pushed aside provided the change moves forward and the hopes of the people are not disappointed. Our party does not raise any barrier to the working people who voted conservative; on the contrary, it tries to bring them into the struggle of the common problems. We try to orient their hopes, their concerns, even their dissatisfaction toward the struggle for a true change in our country.

Question Are you optimistic about the country's democratic course?

Comrade Kh. Florakis: We are always optimistic. We draw this optimism from limitless forces of the popular movement.

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POLITICAL PERSONALITIES INTERVIEWED ON CENTER PARTY CREATION

EDIK Leader Provides Views

Athens I VRADYNI in Greek 6 Aug 82 p 6

[Excerpts] The creation of a new Center Union, a structure for uniting the center force as occurred in 1961, is ruled out today because the required conditions do not exist.

This is underlined by Democratic Center Union [EDIK] leader I. Zigdis in his interview with VRADYNI--in the context of a study on "whether there is room for a new 'party' of the Center."

Question: Do you feel that the Chamber of Deputies [Vouli] elected in 1981 lacks a party expressing the traditional forces of the Center? If yes, why?

Answer: The absence of a Center party in the present Vouli is being acutely felt by public opinion. The polarized Vouli lacks a stabilizing factor, a party organization that could easily attract the dissatisfied and disappointed followers of the other parties and provide them with a political home. This situation negatively affects the possibilities of a smooth development in the country's political life and fosters the cultivation of a disturbing climate of national discord.

Question: Do you think that the prospects exist for creating a new unifying vehicle to continue the traditional Center?

Answer: The traditional Center in Greece is represented by EDIK. The talk about a new "unifying vehicle" is sort of a fiendish sophistry designed to create a center-right party to attract the dissatisfied PASOK voters who refuse to join directly the New Democracy Party. In this way the argument that this covered the entire area of the Center would gain in apparent credibility.

Be that as it may, today the conditions do not exist for the creation of a truly "unifying vehicle" as happened in 1961 with the formation of the Center Union Party. When all agreed to form a united party under the leadership of G. Papandreou they simply followed the dictates of logic which represented the public demand as well. Today conditions are entirely different. The Vouli does not have a Center party. But even outside the Vouli there is no other center party than EDIK.

Question: How will it be possible to be different from PASOK which claims to be the successor of the Center and from ND which has taken up a large segment of the center camp with its theory of radical liberalism and the presence of old center party cadres in its ranks?

Answer: ND is Greece's conservative party. It shelters the forces of conservatism. Unfortunately, it shelters at the same time a considerable segment of the forces of reaction. Precisely for this reason in order to win power it needs to appear also as a "center" and at times even as a "socialist" party in order to deceive the fluctuating voter.

But ND is not and cannot be the Center--even though it won over in the familiar fashion several known cadres /of the Center/ but not its voters. The ND is bound to play a big role as the representative of the forces of conservatism which are a basic factor for the stability of a state. For this reason it should be called the "Conservative Party of Greece," foregoing the flashy but inaccurate titles which it has used from time to time. Above all, it must stop appearing as the standard-bearer of the ideology of "radical liberalism" which is an unfortunate wording and a contradiction with its social identity.

I don't think PASOK claims to be a center party. PASOK is the party of "abrupt structural change of institutions" with loose ideological ties to Marxism.

The Center is the party representing the forces of evolutionary change and its ideology is that of democratic socialism. The place of the Center /EDIK/ is clearly, I think, between ND and PASOK.

Question: What do you think about the initiative for creating a center party by persons with worthwhile activity in the public sector during the last 6 years in particular but without active participation in the country's political life? How do you foresee the fate of this initiative which according to reports is supported by strong persons outside of parliament?

Answer: It is impossible to find persons with "worthwhile activity in the public sector" who did not serve the political party which governed during "the last 6 years." Those who served the Right cannot be turned into the saviors of the Center today and have credibility among the followers of the Center.

In any event, the category of the "technocrats" is useful in certain specific sectors of public life. But they are by definition unsuitable for the broader and multi-dimensional role of a political leader. Therefore it is naive to expect that the Center or any other political organization will be rejuvenated by the technocrats and that it will recover its place in the country's political life.

Finally, the emergence of parties and the selection of their leaders must be the product of the free will of their members and not of secret dealings. The Center, and everyone else, too, has paid a steep price to the intrigues of those forces. At some point this "irregularity" must end, especially at a time when the international situation is so explosive threatening the very existence of the country. One never knows what is represented by the "dark forces." Let us be careful, therefore...

Question: What is the ideological relationship between the Social-Marxist parties (such as PASOK) and the old, traditional Center?

Answer: The Center in Greece expresses, as I said previously, the forces of evolutionary change. It is the party which aspires to a social transformation based on "logic" and "dreams" with the emphasis on the former.

PASOK as shown by its policies until now gives the emphasis to the "dream." This explains the objective difficulties it faces as it tries to build the new society it promises. This explains the contradictions in its effort. This explains the reactions it creates in public opinion.

Objective necessity requires the return of EDIK, of the Center Party, to the foreground of political life. The campaign to break it up and to bring polarization was a terrible mistake. To continue it would be a crime. This crime, of course, is not cured by ostensibly creating center organizations behind which the Right is hiding, whether they are called "unifying" or "Center-Right." On the contrary, it gets worse.

KODISO Leader Responds

Athens I VRADYNI in Greek 4 Aug 82 p 6

Excerpts In his interview with VRADYNI, as part of our study on "whether there is room for a new Center Party" in the country's political life, Giangos Pasmatzoglou argues that the composition of the current Vouli is "unnatural."

Question: Do you think that prospects exist for creating a unifying organization as a continuation of the traditional center?

Answer: I believe that what must and can be done is a strong political force of the democratic, progressive people. The people are familiar with New Democracy. They now have the experience of PASOK--the gap between promises and realities, between words and deeds. It is natural and necessary for the people to become conscious of the need for a party able to guarantee the renewal of our public life for a new national course. This, however, cannot take the form of an "old party" merger, but of a modern, dynamic and autonomous social-democratic party with correct democratic organization and responsible, capable cadres.

Question: How will it be possible to be different from PASOK which claims to be the successor of the Center and from the New Democracy which has taken up a large segment of the center camp, with its theory of radical liberalism and the presence of old center party cadres in its ranks?

Answer: I have not heard that PASOK claims officially that it is the successor of the Center, neither can it seriously claim that after the experience of the last 9 months. With regard to ND it is historically and politically unthinkable to claim that it represents the Center. Anyway, you are right in calling "radical liberalism" a theory--a "verbal firework" would be more accurate.

It is not serious for ND to appear as the guardian or guarantor of private business when during its time there has been a great deal of confusion, uncertainty and intense economic deterioration especially between 1978 and 1981. The healthy and productive economic initiatives and activities require a stable social framework which in our days can be assured only by a responsible social-democratic line. The ideological, political and organizational differences between PASOK, as well as New Democracy, and the ideology and policy represented by KODISO is evident.

Question: Do you think that the creation of a center party is a matter for persons with worthwhile pasts in the country's political life or of other factors and who?

Answer: Certainly this is not only a matter for a new persons. A serious party must have ideology, clearcut political theses and democratic organization. When any of these important elements is absent, there is no party. I must say that KODISO clearly has those features. It is based on the ideology of democratic socialism which is the ideology of the main European social-democratic parties which have been tried successfully, as a rule, in Western Europe. Of course, this ideology gains for us immediacy and force when it originates from and is inspired by the specific Greek problems. Our political theses have been known for years now and are reaffirmed by our statements on the daily problems of our people. I want to underline our democratic organization. The specific and unswerving commitment to the democratic process assures the smooth and productive participation of our cadres and members in the work of our party. This is a basic element for the consistency and stability of our line--in contrast to the confusion, the ambiguity and the contradictions the Greek people have experienced and which have destroyed their confidence in the political leadership.

Question: What is your view on the initiative regarding the creation of a center party by persons with worthwhile activity in the public sector during the last 6 years in particular but without active participation in the country's political life? How do you foresee the fate of this initiative which according to reports is supported by strong persons outside of parliament?

Answer: I don't know of any such initiatives. In any event, the creation of parties from above is doomed to failure. Persons with worthwhile activity have the possibility and opportunity to present their views and their proposals through impersonal--not prefabricated--processes according to the general rules of large congresses where the able personalities are distinguished from the crowd of participants. Such collective organs include the central committee or the political bureau and, of course, the congress of a properly democratically organized party.

Precisely in order to open the way for the participation of such persons we have the rule in PASOK that those who served as deputies [in the Vouli] can automatically participate in the party congress.

As I stated already, KODISO in 1983 will hold a large congress of the democratic, progressive forces. This process urges all those who have a social-democratic or kindred progressive ideology to participate and distinguish themselves.

Question: What is the ideological relationship between the Social-Marxist parties (like PASOK) and the old traditional, liberal center?

Answer: I don't know if you have characterized correctly PASOK's ideological and political profile. There is great ambiguity, especially if one is to take into account the gap between "visions" and "actual policies."

I repeat that in our time and in Greece the liberal tradition is represented by the social democratic line, because the people demand, beyond the assurance of political freedoms, the establishment of "participatory" democracy, i.e., of their social rights. This goes beyond the traditional or even the modern liberalism. I emphasize again that the liberal tradition in Greece had a social content which today is found in the social-democratic parties which work for the evolutionary systematic and responsible reform of society and economy. This reform is necessary for the development of the creative forces and sound private initiative and entrepreneurship, and also for the preparation and our adjustment to the needs of the crucial decade we are living in.

7520

CSO: 4621/481

DISSENTING VERSION OF PARIS TERRORIST ATTACK GIVEN

Athens ELEVTHEROTYPIA in Greek 13 Aug 82 p 4

[Text] There is something very suspicious about this criminal action against Jewish stores in Paris, in the course of which 6 persons were killed and 22 were wounded. The Palestine Liberation Organization strongly condemned this crime, and its representative conveyed his condolences to the families of the victims, but the government of Israel persists in calling the Palestinians the culprits, in the belief of course that in this way it will gain some political advantages from the blood of the victims. And it is for precisely this reason that this action is suspect.

In these times, given the war crimes which it has been committing unhesitatingly, Israel has lost all sympathy in the international community. It has even lost the sympathy of its traditional French friends. In order to win this sympathy back by appearing to be a victim, what would be the cost to it to send its agents to kill a number of Jews? Previous to this, did it not take advantage of the murderous attack against its ambassador in London--which the Palestinians also disavowed as forcefully as they could--to launch the first large-scale bombings in Lebanon, which were brought to an end with the military invasion? They needed an excuse, and they found it!

But this is only one interpretation. The other is that certain Nazi-fascist scoundrels, epigones of the greaterst murderer ever, took advantage of the troubled waters of the present situation in that they found an opportunity to practice by actions their racist anti-Semitism. The fascists are always searching for some alibi for their crimes, and surely they do not forget that their Fuehrer of old used to think that he had discovered this alibi when he charged all the social sufferings of Germany to its unfortunate Jews.

Whoever the Paris murderers are--and in any case they are not Palestinians--their provocation is so transparent that it is not succeeding. And the public, in judging the crime and deciding on its probable perpetrators, has to choose between the agents of Jerusalem and the agents of the wretched fascist international. No third version exists.

12114

CSO: 4621/494

PASOK REPORTEDLY UNDER ATTACK FROM OWN LEFT WING

Athens AKROPOLIS in Greek 15 Aug 82 pp 1, 12

[Excerpts] With increasingly more frequent criticisms, those in PASOK's left wing are openly attacking the leadership of their own party, which they vehemently accuse of departing from the things which it has promised to the people. This change in the internal affairs of the present party of the majority--the ramifications of which cannot be foreseen--is adding also to that "burden" which Papandreou must bear and is multiplying the problems which he must overcome.

Besides this, the "load" of financial problems constitutes in its turn an additional "burden" for the premier.

Thus, at this time the two most important questions which the leadership of the governing party is facing are:

- The financial situation;
- PASOK's internal affairs, about which we are reporting in more detail below.

As for the financial situation, the prospects are especially gloomy. And the extent of the discouragement over such a course of events is defined also by the assessments which Minister of National Economy Arsenis is making, since he is in close touch with the economic magnitudes and the way they are changing.

According to reports, Arsenis has confided to persons who enjoy his confidence that he has to paint the economic prospects with dark colors. And his worries in this connection are reaching "alarm" levels, considering that he is endlessly pointing out the danger that matters are approaching an impasse.

Austere Measures

According to the predictions of informed sources, Arsenis will be forced to suggest to Papandreou the need to take austere economic measures, in an attempt to check any further deterioration.

Thus, the situation is obliging Arsenis to return to the previous position--which is held also by Lazaris--that: What comes first is the stabilization of the economy, and only after that should we implement PASOK's socialist measures.

In practice, this means postponing indefinitely the socialization of the Greek economy, since from an objective viewpoint the process of stabilizing this economy cannot be rapid, but rather will be gradual and in stages--if it happens at all.

We will see what the repercussion on PASOK as a whole will be from one more reversal in the progress of its program.

But maybe this is determined in advance by the circumstances of the opposition by its more militant officers and adherents--whose numbers are considerable within the framework of the internal machinery of the party.

Now these officers are engaging in undisguised criticisms against the leadership of the administration and their party, for deviations or even for abandonment of the struggle to ensure that PASOK achieves its objectives.

Open Criticism

This adverse criticism, which is being voiced openly, is a fact--no matter how much of an effort is made to hush it up. And now it is being expressed even in broader inner-party circles.

The curious thing in this matter is that the objects of these criticisms are, more specifically, Tsokhatzopoulos and Gennimatas, who theoretically represent the left wing of PASOK and who now are sustaining the burden of the belligerence of the militants in the movement.

Up to a point, this restricting of the target of these criticisms has its basis. Because the militants of PASOK have regarded Tsokhatzopoulos and Gennimatas as guardians of the orthodoxy of the party's program. And now they are accusing these two of contributing to a "heretic" course or of putting up with this without offering any opposition.

Again up to a point, the charges which the militants are making against these two ministers and members of the top guiding echelon of the governing party constitute a kind of message, with the addressee being Papandreou.

The Moderates

On the other hand, the moderates--who are also worried about PASOK's decline in popularity--are pleased at bottom that "a quarrel has broken out" in the left wing, and this is for two reasons:

First, because events have thus justified their own view concerning the implementation of a more temperate policy, and in any case one not pursued at "high speeds."

Second, because with this "quarrel," their inner-party adversaries are weakened.

In any case, the financial situation and the difficulties within the party itself have been magnifying the problems and the obstacles for the governing faction. And at the same time they are making more difficult the efforts of Papandreou to maintain a certain balance among the contending political groups in the administration and in his party, and simultaneously his efforts to take measures which could improve the situation.

The Truce Has Ended

One enervating factor standing in the way of those things which Papandreou would like to achieve is the unsuccessfulness of his pursuit of a certain "abatement in the belligerence of the KKE toward the government."

In his recent meeting with Florakis, Papandreou managed to obtain a certain restraint in the polemics of the KKE.

However, the truce has ended and the KKE's tactics will revert to their previous tone, since the KKE deems that favorable opportunities are emerging.

Consequences

It is anticipated that the agitation in PASOK, which is developing into an endemic situation, will intensify following the municipal elections, if their outcome does not favor the present majority party.

In such a case, the militants in PASOK will "draw their swords," the more acrimonious of them even bringing the severe charge then against their leadership that it is to blame for the outcome.

In fact, from now on PASOK will be fighting hard to keep from losing the municipal elections. Because something of this sort would have more general consequences and not merely inner-party ones, since the party would not be able to maintain any longer that it commands the loyalty of the majority of the people.

12114

CSO: 4621/494

GOVERNMENT SEEN TRYING TO GAIN TIME UNTIL OCTOBER

Athens I KATHIMERINI in Greek 15-16 Aug 82 pp 1, 3

[Text] In recent days, the government has been trying to get the public to shift its concerns away from the most basic problem--the economic one--to other matters which are more "sensational," the objective being to gain time until the municipal elections. According to press reports, Premier A. Papandreou recognizes that the difficulties of dealing with the economic problem in a substantive way are so great that they render necessary the imposition of unpopular measures on a large scale. But at the same time, the premier is unsure whether the PASOK government can bear up under such a heavy burden, and for this reason he is resorting to giving prominence to proclamations on various interim and provisional measures which--as he believes--divert the attention of the public away from the more fundamental problems, thus creating a feeling of achievements having been made.

These proclamations cover the attempt to reform the distribution cycle for fruit and vegetables--with the very extensive promotional campaign by the government and the mass news media controlled by it--the repeatedly stated support for private initiative, and the endless contacts between Minister of National Economy Ger. Arsenis and representatives of various classes.

A part of this same policy is the prominence given to the measures for institutional reforms, such as the recognition of the national resistance, the celebration of Armed Forces Day with Byzantine grandeur, and the showdown of the municipal elections.

In any case, it is not anticipated that a proclamation will be made soon on substantive measures which would reveal also the political philosophy of the governing party concerning how to deal with the economic crisis. Perhaps the premier prefers a policy "based on the circumstances," and for this reason he is postponing decisions, hoping that soon some favorable business conditions will appear which will make it possible for the economy to recover.

Of course, these conditions are supposedly to be found in foreign countries, from where it is hoped that by winter some large investments will be secured which will change the entire economic climate in our country. For this reason, the premier's schedule also includes paying visits to the rich countries of the Middle East, and especially Saudi Arabia and Kuwait, after careful preparations have been made.

The Greek stand on the problem of Lebanon and the Palestinians, as well as the sharp response to the interference of the Jamahiriya of Libya in our domestic political affairs, now places Greece nearer to the conservative countries of the Arab world than to the "progressives," as they were called formerly. Besides, the progress made on the negotiations over the bases, along with the good relations which we have with the United States, are encouraging American support for these requests of ours.

Even though belatedly, the Greek socialist government has realized that in the Arab world the money is to be found in the conservative countries, and that only from these can it hope to see an inflow of capital.

Finally, on the economic issue there are concurring reports that the premier has re-established positive relations with shipping financiers, and especially with those who maintain close ties with the rich Arab countries.

Propitious Period

It seems that all these actions also indicate a waiting policy in connection with confronting the economic problems. Of course, the implementation of these measures is still very far in the future, with no specific plan having made much headway. But it is a fact that these plans are being expedited now that we have a slack political period still, and there is a good chance that they will have made headway by next month or at the latest after the municipal elections.

Until then, the government's program calls for the proclamation of a certain framework for the economy by Minister of National Economy Arsenis, probably next week, and for a speech by the premier at the opening of the Salonica International Fair on 11 September. Perhaps at that time the premier will announce some specific measures, if the negotiations with other countries have made any headway.

End of the Season

These things show that the government believes that it still has enough time left until the end of October, when the municipal elections will have been conducted. The premier and the members of his staff believe that they will win these elections, and that this development will give them new possibilities of maneuvering around the economic problems. Even though the municipal elections are regarded as "skirmishes of advance troops" in comparison with the political battle which will follow in the winter and for which it seems that the governing party is preparing itself. At that time, it will be rather difficult to again make use of maneuvers designed to divert the public away from the substantive problems and toward the sensational issues.

The slack period of the summer, with the vacations, the discount sales, and the tourists as well as with its adequate supply of foodstuffs, is coming to an end in a few days. Everybody's return from vacations, which will be completed within the next two weeks, delineates also the limits of the period of inactivity which was ushered in 10 months ago by the PASOK government. Inevitably it must proceed to the announcement of certain measures and to the acceptance of a positive policy at least with respect to its own constituency. The mobilization of

friends of the party and of workers on leave to help in distributing the vegetables was a solution capable of meeting only short-term needs, and in fact only in times of adequate provisions, such as in August. Beginning next month, not only will the people be returning from their vacations, but farm work will begin which can neither be postponed nor be ignored by way of half-measures, as is happening in connection with the vegetable market.

Therefore, starting next month the political climate in our country will change, since inevitably the opposition will have to pursue different tactics. The New Democracy Party will be able to pass over to a counter-attack, because a year will have passed since the elections and thus PASOK will not be able to constantly be blaming it for the economic crisis.

Of course, for the party of the official opposition there is the problem of its political line and its image, followed by the type of battle which it intends to wage, but this does not alter the fact that this battle will be a tough one. In steering between the Scylla and Charybdis of being merely an opposition and of taking the easy path of corruption which the government is so quick to depict, the New Democracy Party will be forced because of the circumstances to find some course which will allow it to have a more effective political presence.

The Objectives of the KKE

On the other hand, it seems that the KKE is interested in gains in the political arena and in emerging from the political isolation in which it finds itself. Of course, it has international developments to contend with--Poland, Afghanistan, Lebanon--along with our national issues, in connection with which its pro-Soviet attitude brings it into isolation and to a loss of political persuasiveness. But at the same time it will be tempted to go along with the protest movement which is arising against the high unemployment and inflation, factors which are accompanying the crisis.

However, to the degree that it intensifies its polemics against the government on these issues, the KKE isolates itself because it seems estranged at the top. On the other hand, as long as it presents the vague plan concerning all the democratic forces, it may lay claim to a certain status in the political arena.

No maneuvering seems feasible for such an inflexible party, and for this reason the governing party does not appear to be very worried about trouble from this direction. In any case, the premature bellicose and tough tactics which the KKE followed in the winter were unsuccessful, with the result that now it is practicing a policy of being indulgent towards the government.

POLITICAL

GREECE

KKE RECEIVES IRAQI REPRESENTATIVE

Athens RIZOSPASTIS in Greek 20 Aug 82 p 1

[Text] The representative of the Iraqi Patriotic Front, (Nazikha El Dilemi)-- who is in our country following an invitation by the Committee for International Democratic Solidarity--met yesterday in the offices of the KKE Central Committee with Comrade Andonis Ambatielos, a member of the Politburo of the party's Central Committee. At this meeting there was an exchange of views on the situation in the Middle East and on the Iran-Iraq war.

The representative of the Iraqi Patriotic Front gave a briefing on the harsh consequences of the war in Iraq and on the growing mobilizations of the Iraqi people in opposition to the war. And he stressed that the only solution is: The formation of a national democratic government of unity in Iraq, which will proceed to the concluding of a peace treaty with Iran and to the conducting of free elections.

Comrade A. Ambatielos expressed the concern of the Greek communists about the continuation of the Iraq-Iran war, which serves only the strategy of the United States in this region, and he gave assurances that the KKE will continue to offer its solidarity and support for the just struggle of the patriotic forces of Iraq.

2114

TS : 4621/494

LESSONS FROM FOREIGN POLICY 'ERRORS' STRESSED

Diplomat Protests

Athens I VRADYNI in Greek 18 Aug 82 pp 1, 12

[Excerpts] Following the repeated "gaffes" by the government in the handling of foreign-policy issues, the crisis which has been impending for some time now in the Ministry of Foreign Affairs has broken out in the last few days, with the result that the general director of policy questions, Ambassador N. Katopodis, has been removed.

Mr Katopodis, who as a top-ranking diplomatic functionary enjoying the confidence of the PASOK government had been transferred to Athens at the beginning of 1982 from his post as representative of Greece at the United Nations, so that he could be given the general directorate of policy questions, lodged a very strong protest with the premier and the minister of foreign affairs on the grounds that the diplomatic service is being ignored in the handling of foreign matters (letting it be understood that the removal of experienced diplomats is the cause of the errors, the failures, and the oversights of the government). Minister of Foreign Affairs I. Kharalambopoulos urged Katopodis to withdraw his protest, but the latter refused, and finally it was decided that he should not stay in the directorate of policy questions.

The occasion of the protest by the ambassador, who is one of the leaders of our diplomatic service, was the government's decision that no representative of the Ministry of Foreign Affairs should participate on the committee conducting negotiations with the Americans on the issue of the American bases.

Mr Katopodis observed that the chief role of the Ministry of Foreign Affairs is precisely to conduct negotiations with foreign states, and he indicated more general political accountabilities of the government arising from similar decisions.

Instead of by the diplomatic service, our foreign policy is being pursued essentially by the diplomatic office of the premier, which consists of the lawyer Makhairitsas, the young Cypriots P. Nearkhou and G. Kranidiotis, and another young person, the former assistant correspondent for Athenian newspapers in Washington, I. Roumbatis. And the successive "gaffes" of the government are being attributed chiefly to the inexperience, the amateurishness, and the ignorance of these persons.

in the past.

Besides the nation-threatening "amateurishness" of the young people and the inexperienced colleagues of the premier, the handling of foreign-policy issues is made more difficult also by the interventions of an unqualified minister, Minister to the Premier A. Koutsogiorgas, who on the one hand is undermining Minister of Foreign Affairs Kharalambopoulos and on the other is in a dispute with Kh. Makhairitsas. This handling is being hampered also by the promoting of I. Kapsis as a super-deputy-minister of foreign affairs. He has supplanted his older and more experienced colleague K. Papoulias--to whom was ascribed the responsibility for the "gaffe" of the cancellation of Quadhdhafi's visit to Athens.

Within this more general framework of the crisis, the report about the spirited protest of N. Katopodis which led to his removal has caused a sensation. It is a characteristic fact that of the top-ranking diplomatic functionaries in whom the PASOK government had confidence, on the one hand Ambassador D. Irakleidis turned down the post of heading the general secretariat of the Ministry of Foreign Affairs, with the result that his services were not used, and on the other hand Ambassador Katopodis--after 6 months of unhappy experience in the general directorate of policy questions--came into conflict with the government and was removed. As was observed by a former ambassador who knows very well our diplomatic affairs: "Now things have gone too far!"

Observers are waiting with particular interest to see how this crisis will develop--a crisis which, according to the assessment of the political observers, is creating a major political problem for the "gaffe-prone" administration.

'Errors' Reviewed

Athens I KATHIMERINI in Greek 21 Aug 82 p 5

[Editorial]

[Text] Some 10 months after the change in government, it has become clear that Papandreou has abstained from making any innovations in connection with the fixed directions and general guidelines of our foreign policy as these had been charted by the current president of the Republic immediately after the restoration of democracy. In fact, it would be possible to make the observation that the attitude of the present government vis-a-vis the country's Western allies has toned down to a spectacular extent, even to the point of prompting the government press to discontinue its anti-Western and especially anti-American propaganda. These are the positive elements in the review of the government's policy up to now in the foreign sector. But there are also negative elements, which are centered not on policy mistakes but on errors of management.

Although these errors cannot be regarded as calamitous or as creating irreparable conditions, nevertheless their frequency is especially disquieting, they touch on sensitive areas of the country's inter-governmental relations, and gradually they may hurt the trustworthiness and the authority of our foreign policy.

There is no doubt that many management errors by the government have their roots in former and extreme oppositionist positions taken by PASOK--such as, for example, the rejection of any dialogue with Turkey, the withdrawal from NATO, the closing of the American bases, the making of our participation in the EEC conditional on a referendum, and so forth.

To these roots is due the fortunately temporary crisis in Greek-Turkish relations, which manifested itself precisely at the time when Papandreou thought that he was exchanging olive branches with Ankara, the premature and impolitic statement by the premier concerning an agreed-on moratorium, the downplaying or concealment of a number of very provocative violations of the Greek space in the Aegean, and so forth.

We must also attribute to the same roots the vacillatory--or even capricious--Greek attitude concerning the guarantees for our eastern borders on the part of NATO or the United States, the "Hellenization" of the bases, which now is deemed to be unfeasible, and finally the initial abandonment and subsequent reasserting of the demand with respect to maintaining the ratio of 7 : 10 for American aid to Greece and Turkey.

Likewise extremely controversial is also the propriety of the recent moves by the Greek government in the Lebanon crisis. These moves nourished exaggerated expectations as concerns Greek aid to the Palestinians, caused strong displeasure in Israel, and disturbed the delicate balances which had been achieved up to now by our foreign policy, which had avoided getting embroiled in the inner-Arab quarrels.

That is, the disappointing of expectations produces discouragement on the one hand, while the non-fulfillment of the Greek initiatives does not restore the climate of our relations even with that side which has been angered or which regards this Greek meddling in the Middle East with suspiciousness.

Finally, it would be possible to compare with this unprofitable intervention in the Middle East the lack of any sensitivity on the part of the Greek government on the Polish question. Such a comparison by no means demonstrates a consistent and balanced multidimensional policy.

It is difficult to decide whether these erroneous moves are due to inexperience, to the complex of the great variety of alterations made by the present government vis-a-vis the policy of its predecessors, or to a burden of ideological prejudices which hinders the adapting of our foreign policy to a fixed, consistent, and prescribed course.

The discord which has been noted in recent days between the political and diplomatic agencies of our foreign policy is multiplying the questions and increasing our anxieties in this regard.

12114

CFO: 4621/495

GOVERNMENT GAINS FROM PRO-ARAB POLICY REVIEWED

Athens ELEVTEROTYPIA in Greek 15 Aug 82 p 4

[Article by Kostas Angelopoulos]

[Excerpts] Recently the subject of Greek-American relations has been in the foreground of Greek foreign policy--with the critical point being the issue of reweaving the status quo with respect to operating the bases of the United States--since the subject in question is a problem area where one can expect imminent changes, from the way things are going. On a second plane is the issue of the relations between Greece and NATO, which is directly connected with the development of the Greek-Turkish "moratorium," since Athens is making the establishment of the Larisa headquarters contingent on the parallel fixing of the boundaries of control over the airspace of the Aegean.

On a third plane--seemingly, at least--is the pursuit by the Papandreou government of its "Arab policy," a policy which has interesting aspects on account of the burning Palestinian problem, which has given Athens a central role in a number of critical initiatives on an international level.

These days, that which they call the "Arab policy" of the PASOK government merits a closer look, not only because this option taken by A. Papandreou is disputed strenuously by the official opposition, but also because the policy in question is a bold one--whatever difficulties may arise in its consistent implementation--which is beginning to have consequences on a practical level.

From the very first days of the Change, Premier A. Papandreou appeared to be firmly resolved to play the role of the pro-Arab "wedge" in the West European area.

In the ensuing months, events took place which made many people say that A. Papandreou's Arab "initiative" has not been so successful: Iraq has experienced again and again military defeats from Iran, relations between Greece and Libya have gone over to the level of "coolness," and for various reasons the Palestinian friends of the PASOK government have suffered ravages--victims of the "strange" international conspiracy which has been played out with Israel as its cold-hearted executor.

At the same time, the anticipated financial support to the Greek government from the Arab world seemed to be very late in coming.

But in the same period, the Greek premier managed something important: To convey his "Arab policy" to the West-European area without causing a clash with the Western countries. On the contrary, the European Community, headed by Francois Mitterrand and Helmut Schmidt, saw in the person of the Greek premier a very useful "intermediary" for the Arab countries. An intermediary who in being free of the presence of any powerful pro-Israeli "lobby" in his country would be able to contribute a great deal at critical moments.

It may be that earlier A. Papandreou was not counting too much on this cooperation with Arab countries such as Saudi Arabia and Kuwait, and maybe he did not anticipate accurately the political gains which he would have from the direction of the West as a result of his policy towards the Arab world. However, these things happened: Kuwait decided recently to go forward on its financial support to Greece, Saudi Arabia is heading in the same direction, Algeria has already put its signature on a multifaceted cooperative agreement with our country, and at present other countries as well, such as Bahrain, are keenly interested in cooperating with Athens--and these developments have offset other losses of support.

Again, in the Western camp the Greek government has managed to persuade everybody from here to Washington, on the occasion of the events in Lebanon, that Athens has a significant political role to play in Arab affairs--something which gives a new potential to Greece's traditionally timid foreign policy.

Thus, the gains from the "Arab policy" of the government may not be impressive at a "first reading," but one cannot deny them. And events are showing that in the long run the idea of A. Papandreou that Greece can become a "bridge between two worlds" has a great chance of being realized.

12114

CSO: 4621/495

NATIONAL RESISTANCE BILL AROUSES OPPOSITION

Parliament Vote

Athens TA NEA in Greek 20 Aug 82 p 12

[Text] Yesterday, the Chamber of Deputies passed the separate articles of the bill on the recognition of the National Resistance. The voting on this bill as a whole will take place this coming Friday, in an extra session of this body. During yesterday's session, it was explained by Gennimatas that the annual added burden on the State budget of 800 million drachmas covers only certain groups of resistance fighters who were dismissed from their duties after 1944.

It was stated that these groups include 1,404 public servants, 727 employees in public utilities, and hundreds of military personnel.

Papandreou Hellenism Disputed

Athens AKROPOLIS in Greek 20 Aug 82 pp 1, 7

[Editorial]

[Excerpts] "As a Hellene, I am proud...." In this way, with his familiar banal boastfulness, Papandreou brought to an end his advisory report to the Chamber of Deputies on a statute of his with which in essence he rewards the communists' activity during the occupation, christening it the "national resistance." However, Papandreou's "pride" is based on falsehoods.

First falsehood: "The National Resistance has not been recognized." In reality, it has been recognized since July 1946, by a resolution of the Chamber of Deputies. This was followed by the related law of 1949. And afterwards there was a number of other laws. With these laws, all the issues which referred to the genuine National Resistance were settled. But it seems that Papandreou does not know this.

Second falsehood: "The Communist Party and its front organizations, EAM [National Liberation Front], and so forth, engaged in resistance activities." In fact, they engaged in "resistance" only against the true Resistance. The war against the conquerors was a pretext. And their actual war was launched against the purely patriotic resistance organizations and against all Greeks who gave thought to the nation. Because their objective was the forcible seizure of power. And the imposition of their totalitarianism. The dismemberment of the country. And its conversion into a satellite of Moscow.

Third falsehood: "The legalization of the Communist Party also entails the recognition of its 'resistance' activity." But the legal functioning of the Communist Party is one thing, and the justification and the moral and material rewarding of its crimes and its treasonous acts is another. Surely you know this, Mr Papandreou.

Fourth falsehood: "This recognition is being given so that we may forget the past." You have heard the speech by the skipper Giotis or Florakis. And Papandreou, you have seen how much hatred, how much rancour, how much blind fanaticism still rule over the people of the KKE--who, by the way, are already bringing pressure to bear for their December action [of 1944] to be included as a part of this "national resistance"!!

Fifth falsehood: "As a Hellene I am proud of this recognition of the national resistance." No Papandreou! You are not! Because you are not entitled to say this! Because in 1940 you were absent, you did not come from abroad to fight for your homeland, even though you were a young man of 23 years. Because in 1941-44 you did not go and join our army in the Middle East, as did so many thousands of unassuming Hellenes of Greece and abroad who did not have your own family name. Because in 1944, when those whom you are promoting into "resistance fighters" today were then besieging your father in order to do away with him, you remained absent. As also in 1946-49, when true Hellenes were dying for the integrity, independence, and freedom of our homeland in fighting against your foreign-dominated "resistance fighters." Because for more than 20 years, while in the United States you never wrote one word, did not give one lecture, did not contribute to a single fund-raising drive for Greece.

And, Mr Papandreou, you do not at all--not in the least--have reason to be proud. You have reasons for being just the opposite. Because you are rewarding the enemies of our homeland for a few votes of theirs in the upcoming municipal elections. You are rewarding the party which your father characterized as a "party of treason and criminality." And you, you declare this treason and crime of the KKE to be a "national resistance"!

12114

CRG: 4621/495

POSSIBLE MEANINGS OF PROPOSED 'EANIST' PARTY ANALYZED

Lisbon O JORNAL in Portuguese 27 Aug 82 pp 2, 3

[Article by Caceres Monteiro and Antonio Mega Ferreira: "What Is 'Eanism'?"]

[Text] "Inevitable," says Isabel do Carmo; "beyond challenge," says Torres Campos; "an ethical-political issue," says Antonio Vitorino; "the product of ambition," says Alberto Joao Jardim--whatever and however it may be, "Eanism" exists.

This is the overwhelming conclusion from the dozens of answers to the questions in the survey undertaken in July by O JORNAL. Eanism and the new party, as will be seen from today onward, are not a harmonious pairing. The one does not imply the other, and the possible achievement of the latter does not necessarily depend on the existence of the former--and vice versa.

This is true first of all because the numerous individuals responding to the survey began by differing in their description of the phenomenon: Is it psychological or political, social or cultural, real or imaginary, a path toward consistent political discourse or the selfish vehicle for frustrated ambitions? Thus they did not agree as to its nature. Some interpreted it as a temporary phenomenon, while others believed it to have deep cultural roots.

However, but for some exceptions which will be explained here in due course, almost everyone acknowledged the existence of this political-social phenomenon. Even those who combat it most vigorously, like Antonio Lacerda, president of the JSD [Social Democratic Youth], recognize that "Eanism is a reality within the Portuguese political spectrum," the more so, but not exclusively, because of the reaction seen on the part of "politicians and analysts who attack it, support it or encourage it."

Is Eanism then, mainly a political reality because it is talked about by others, as the response from Antonio Lacerda seems to suggest? In a way, this is what Major Sousa e Castro, a member of the Council of the Revolution, is saying when he states that "some of the media recognize a new entity which they call Eanism." And he adds the following: "I say that it is the media which have acknowledged this new entity, because as is absolutely plain, Eanes delivered an address which took on a life of its own, becoming substantially different from the party-political addresses." In other words,

the speech by Eanes was different from the party speeches, and in this respect and in no other way, according to Sousa e Castro, it can be regarded as giving rise to a new phenomenon.

This characteristic received mention again and again in the survey responses. It was stated still more clearly by Isabel do Carmo: "It was anti-Eanism which pushed Eanes into Eanism." And Natalia Correia analyzed this movement: "At the beginning, 'Eanism' was the specter feared by a fanatic anti-Eanist faction which misinterpreted this political-cultural factor: given the natural instability of an immature democracy, a chief of state reelected and invested with the authority accorded him by the semi-presidential system, since this was the constitutional framework within which Eanes ran for office, is the reference point providing continuity and security."

Thus Eanism was first of all a reaction to anti-Eanism, at least in the view of some people.

But others regard it as not merely a rhetorical figure, that is to say it is not merely a word used in the context of various political discussions. The majority of those questioned said they believe that discontent about the development of the political forces since 25 April underlay the rise of this phenomenon. Socialist leader Joao Soares Louro said that "Eanism ... is a consequence of the crisis and the way, dangerously badly, that representative democracy has functioned in our country, being paralyzed by a complex of structural problems which could not be resolved within the present political framework and which had as their repercussions, destabilizing effects on the other social institutions."

It is in this sense that many people believe that Eanism is a political phenomenon defined in terms of the alternative: the dominant political party discourse, as Sousa e Castro says; "the negative music of the others," as Jorge Listopad says; "a way out of an impasse," as Joaquim Silva Pinto, former minister of corporations, urges; or "a presidential formula as what is needed to save democracy," as Jose Rabaca believes.

Torres Campos explains: "Once the post-revolutionary period, roughly 1976, 1977 and 1978, was past, the Portuguese people did not feel that there were effective prospects for improvement in their living conditions, while on the other hand, they witnessed an increase in ambiguity in terms of the positions of the various political sectors, and a process of gradual deterioration tending to become generalized in innumerable sectors of our daily life."

Basic Phenomenon or Temporary Accident?

UEDS [Leftist Union for Socialist Democracy] deputy Antonio Vitorino thinks, for his part, that Eanism is a phenomenon "related to the personality of the current president of the republic and the situation which prevailed on his reelection on 7 December 1980."

The statement by Prof Miller Guerra points in the same direction. He believes that Eanism is "an opinion faction supporting Ramalho Eanes which arose out of his candidacy and was strengthened by his triumph." This is also the view of Isabel do Carmo, who notes the curious development of the Eanist image. "From a right-wing hero (on 25 November), he became its main enemy." And a former minister in a cabinet sponsored by the president believes that "the behavior of the electorate in the last presidential election ... bears unmistakable witness to the fact that Portuguese citizens value the direct election of the president highly." This same individual said that "it is difficult to disentangle the Eanist phenomenon from the presidential issue" where Portugal is concerned. This aspect was explored, with natural variations, by many of the individuals who responded to the survey questions. Manuel Martins Torneiro, of the PPM [Popular Monarchist Party], believes that Eanes "never changed his goal of total implementation of democratic practice, thus establishing himself as a highly valued symbol." This local leader believes that it is for this reason that "Eanism exists."

While the majority of those responding linked the Eanist phenomenon with the institutional importance and behavior of Eanes as president of the republic, others went farther. Natalia Correia, Jorge Listopad, Joao Botequilha and Silva Pinto, at least, spoke of factors of a historic-cultural nature which may have provided fertile ground in which the phenomenon could sprout. Botequilha says the following: "Eanism, like other personality-related movements in our political life, is directly linked with the sociological practice underlying our particular fashion of engaging in politics. And, I think, overemphasizes the phenomenon of personalizing government power." Natalia Correia says that "in a personality-oriented culture such as ours, political functions take on the physiognomy of the men who implement them. Therefore, if there is a presidentialist inclination when Eanes is president of the republic, it automatically takes on an Eanist aspect." And this writer insists that "in an archetypal niche, which should not be underestimated, the Eanist phenomenon further has the messianic inclination of the Portuguese people to nurture it."

The reference to this messianic background is seen in a number of other statements. Silva Pinto noted "the national tendency to personify power, along the lines of what Oliveira Martins called Sebastianism." Marcelo Curto, the leader of the Labor Left in the PS [Socialist Party], thinks that "the preference for the presidential system disguised as Eanism only exists in the naive hopes of the people and in the incompetence of the existing political parties." But Jorge Listopad sees the question in other terms. "I separate the presidential system as a hypothetical republican branch of the messianic inclination, which interests me historically but does not enchant me politically, from Eanism, which in my view merits another, purely temporary, definition."

The Role of Eanes

What is the role of Eanes in all this? Some believe that he has none, except for the image he projects, which Joao Botequilha sees as "dignified, responsible and calm." Let us turn to the image, to examine first of all the

behavior of the president. In the view of Antonio Lacerda, following in the wake of Sa Carneiro's interpretation, "General Eanes was and is the possessor of a political-military program with personal force, consubstantiated by his being simultaneously president of the republic, CEMGFA [Armed Forces Chief of Staff] and president of the Council of the Revolution." But Joao Botequilha believes on the contrary that "Eanes has not actively promoted or tried to promote the development of such a phenomenon (Eanism). If we discount the periods of his two campaigns as candidate for the presidency of the republic I do not see in his behavior any deliberate populist action." And he adds: "However, I must admit that the effort pursued recently to promote the Eanist myth is surprising. To express his gratitude for this effort, President Eanes would have to turn more to his adversaries than to his supporters and friends in uncertain times."

Others think along the same lines. Arnaldo Antunes, president of the Municipal Chamber of Penamacor, says the following: "I do not see and I do not feel, from what I know of the PR [president of the republic] that he has any concern about establishing a new program line." But Marcelo Curto feels that there is an appeal. "It comes down to the use of the presidential post to launch something which is a mistake in terms of the collective path of our people." And he explains: "Your question is the ultimate example of cultural Manichaeism: The presidential-Eanist movement does exist, professor, because the president of the republic succeeded in creating it, thanks to the zigzags in our impoverished party tradition."

In the view of some, however, the president has limited his actions to the framework of his institutional duties. Others believe that he has been a voluntary political factor in the process of establishing the Eanist phenomenon.

The majority of those responding to the questions express the view, however, whether or not they favor the phenomenon, that words such as "continuity," "firmness" and "seriousness" define the profile of Eanes as a politician.

Devoid of Doctrine

Is Eanism a clearly defined body from the point of view of doctrine and/or program? Those who responded in the affirmative were very few. Vasco da Gama Fernandes believes that "the body of doctrine urged by General Eanes is that best adapted to the majority concerns of the Portuguese people." Alvaro Gomes Pedro, president of the Municipal Chamber of Abrigada, believes that Eanism does not even exist. "What does exist is exploitation by personalities marked by their action in public life who desire the appearance of a political party in which they could again become outstanding personalities." Sousa Franco acknowledges that in the phenomenon of what he calls "real" Eanism (as opposed to "ideal" Eanism), there are cultural aspects which could be utilized in terms of a political framework of ideas. Antonio Vitorino believes that "Eanism does not exist as a political philosophy, program of ideas or ideology." Arnaldo Antunes thinks that there is no "theory setting forth what it concretely represents." This is also the belief of the

president of the regional government in Madeira, Alberto Joao Jardim, who says that "Eanism does not exist as a defined program based on a consistent and solid philosophy."

What Is It. Then?

One derives the impression from all this that although Eanism exists it ... does not exist. It has no doctrine, it does not appear to the majority of those questioned that Eanes is promoting it, it has no institutional embodiment, and it does not correspond to any clearly defined interests. Is Eanism, then, a state of mind?

Among the responses from the "maximalists" (those who relegate Eanism to the limbo of frustrated ambitions, or, at the opposite extreme, those who adopt it as a profound phenomenon), there is a broad range of references. There are those who believe, as Alberto Joao Jardim does, that "Eanism is born of the need for individuals without any prospects in the current political parties to nurture the hope of holding key posts in the state apparatus by making use of the personal prestige enjoyed by Gen Ramalho Eanes." There are those, like Sousa Franco, who believe that Eanism comprises three waves "of different strength and height: a relatively profound sociological movement, an ever-clearer cultural phenomenon, and a repetitive subject (or specter) in the political game ..."

Between the substantially poorest definition and the broadest effort to define the phenomenon, there is, in a range of choice which is, naturally, the responsibility of journalists, the interpretation by Antonio Vitorino, representing the "ideal mean" for the answers obtained. "Eanism exists as an ethical-political reference point, based on three major presumptions:

--the personality of General Eanes, seen as the guarantor of a change in Portuguese society;

--advocacy of redeeming intervention, in view of the deterioration in public life, blamed on the present party system and the so-called 'politicians' class;

--the announcement of an 'Eanist party,' as the tool for achieving these goals."

We will see in the responses which we are beginning to publish today how these coordinates are variously echoed in the statements by the citizens questioned.

FINANCIAL SITUATION OF TRADE UNIONS SUMMARIZED

Lisbon O JORNAL in Portuguese 20 Aug 82 p 14

[Article by Jose Pedro Castanheira: "Southern Bank Employees Union Nation's Richest"]

[Text] Not only is the financial situation of the Union of Bank Workers of the South and Islands comfortable, it is enviable. This is in fact the richest trade union in the country, with income exceeding that of the two trade union federations together. While its term deposits exceed the income of the CGTP [General Federation of Portuguese Workers], its strike fund is almost double the income of the UGT [General Union of Workers], with which it is affiliated.

In round numbers, the income of this union came to 150,000 contos in 1981, qualifying it as the richest trade union organization in the country, at least in absolute terms (in relative terms, as will be seen, the tiny but powerful Union of Civil Aviation Pilots ranks first). This amount represents an increase of 395 percent over the 1973 income, and 29 percent in relation to 1980, and it is estimated that this year, by virtue of the new wage table going into effect, the total will reach 200,000 contos.

More than 90 percent of the income is derived from dues, which came to 136,100 contos in 1981. Also, the amount of the dues (1 percent of wages) has steadily increased, by 616 percent in fact in the past 9 years (28 percent in comparison to 1980). Both the new contracts negotiated with the banks and the regular and steady increase in the number of union members (from 15,407 in 1972 to 38,140 in July of this year) have contributed to the sharp increase in the dues. The union membership percentage in this sector is one of the highest anywhere in the country, standing at 95 percent now, according to union estimates.

Positive Balance Sheet

Another source of income of increasing importance is interest on term deposits in banks. The first deposit of 11,000 contos was made in 1975, with an increase to 16,000 the following year. That amount remained stable until 1978, which the union departments explained was due to the lack of available funds resulting from the financing of the premises for the Medical-Social Aid Service in the Marques da Fronteira Street palace. However, 1979 saw a

a little increase in the term deposits, which totaled 107,200 contos in 1981, in which fiscal year the interest involved came to 13,000 contos, accounting for "about 9 percent of the total profits," as the union accounts show. Deposits are placed only in nationalized banks.

As could not fail to happen, expenditures too have increased steadily. The heavy administrative machinery of the union, involving about 80 workers, "swallows up" almost half of the income, or more precisely, 70,100 contos, the balance being channeled into trade union activities. Special emphasis here is merited by the union contribution to the UGT--6,808 contos in 1981. The amount budgeted for this year is 7,500 contos (equivalent to 5 percent of the union dues, as the bylaws of the trade union federation specify).

The balance of income and expenditures, overall, has been positive. The last time the fiscal year produced a negative balance was in 1972 (to the extent of 1,200 contos). Since then, the balance curve has always been positive, ranging between the respective extremes of 260 contos in 1973 and 39,300 contos in 1981. The development of the curve has been upward except for 1977 and 1979.

Four Funds Increase Steadily

The balances for the successive fiscal years have been channeled into the four funds as provided by the bylaws. The trade union fund, first of all, as the treasurer of the union explained to us, corresponds to what would be the company capital and reserves of an enterprise. It has been increasing steadily, and reached 77,600 contos last July.

Then there is a strike and solidarity fund. Created in 1976 after amendments to the bylaws, the strike fund began with 5,000 contos, and currently contains 65,000. Bank workers' union leaders estimate that this sum would cover full payment of wages for a month-and-a-half-long strike. To date, however, the strike fund has remained "virgin."

These amendments to the bylaws also created what was called a reserve fund, to which 1,200 contos were allocated in 1976. Then the bylaws approved in 1979 included this fund in a new one called the economic aid fund. The 7,000 contos allocated to it provide support to the members in demonstrably difficult situations, and they can turn to it to apply for loans or subsidies.

A last fund, also established in 1979, is the retirement fund, which benefits only the employees of the union. The 4,400 contos in the fund serve to cover the difference between the retirement paid by the National Pension Fund and the retirement amounts for which the bank workers collective contract provides, the sums being paid entirely to personnel working for the union.

SAMS Approaches One Million Contos

In 1981, the general council of the union approved the establishment of a new fund for the purchase of property for the new headquarters. As of December of that year, it totaled about 21,000 contos. Toward the end of April, the

union leadership made a down payment of 17,500 contos to purchase the property located at 141 Sao Jose Street, adjacent to the present union headquarters. Another 20,000 contos will be paid when the papers are signed. The leadership intends to clear both properties to build a new headquarters there. In principle, they believe this plan can be carried out during their term of office.

Last December, the union provided the SAMS (Medical-Social Aid Service) with a loan of 30,200,000 contos needed for the purchase of the palace and the land involved on Marques da Fronteira Street, where the Medical-Social Aid Service will be provided. This loan will be repaid, at no interest, by the end of the year.

It should be emphasized that the union accounts, of which we are attempting to provide a dynamic summary, are entirely separate from those of the Medical-Social Aid Service. In fact, although it is managed by the union, the SAMS has had its own accounting department since it was established as an autonomous body on 1 January 1976. It has mixed financing: Each bank worker pays in 1 percent of his wages, and the employee body pays 5 percent. The income of the SAMS reached 858,000 contos last year (787,000 for the general budget, and 70,000 for the special budget), and it is almost certain that it will exceed a million this year.

SITESE Financial Crisis

Among the organizations which handle the most money in their trade union activities, other than the Union of Bank Workers of the South and Islands, is the Union of Office, Trade and Service Workers (SITESE), which, like the other, is affiliated with the UGT. The accounts for 1981 show income of about 106,100 contos (89 percent of which comes from dues). However the balance comes to only 1,000 contos, which nonetheless seems to indicate recovery from the financial crisis experienced in the year just past, which saw a deficit of 6,200 contos, the largest in the history of the union.

The dues level remained considerably below that of the budget.

CGTP/IN Developing

The CGTP/IN [National Intersindical] is the third "richest" trade union organization in the country, at least to judge from union accounts. The federation's income came to 81,400 contos in 1981, with 96,500 budgeted for this year. This reveals a trend toward financial growth for the Intersindical, which is, moreover, absolutely normal.

Lisbon Metallurgical Workers

A large part (77 percent) of the income of the CGTP comes from dues from affiliated organizations. The Union of Lisbon Metallurgical Workers looms among these--it is the fourth largest union body in financial terms, and by

the most important of those affiliated with the CGTP. It would be no exaggeration to say that this union is the most solid financial bulwark of that trade union federation.

With income totaling 65,900 contos in 1981, the Union of Lisbon Metallurgical Workers spent 19,900 (30 percent) on "membership in the united trade union movement." Of this amount, 14,500 contos were paid in dues: 7,200 to the CGTP (including 1,900 as a supplementary quota), 6,000 to the Federation of Metallurgical Workers Unions and 1,200 to the Lisbon Trade Union Association. These sums were only that small because, as is mentioned in the accounting report, the dues quota "was not reached, with income totaling 5,200 contos less than the budget amount (8 percent)."

Civil Construction Difficulties

The Union of Lisbon District Construction, Marble and Woodworkers, for a long time regarded as the second largest Inter trade union in terms of membership, has unlimited resources. "1981," the report states, "was the year in which the financial recovery of the union began." During that period, again according to the report, "2,125 members who had ceased to pay their dues" were reincorporated. On the other hand, the quota goals set were exceeded and the balance for the fiscal year was positive (74 contos).

So that as it may, the income for a sector boasting more than 70,000 workers comes to only 22,500 contos. Thus it is not unimportant that the accounts show no contribution to the CGTP/IN, but only to the sector federation (and only in the amount of 517 contos). Finally, in the last elections for administrative bodies, held on 28 May, the voting members came to 12,944.

"Historic" Unions Support UGT

In terms of income, the UGT is rather "poorer" than its rival federation. The budget for 1981 estimates total income at 36,300 contos. We do not know if this goal was reached, just as we do not know what the budget for this year is, for the simple reason that the general council of the UGT has still not approved either the 1981 accounts nor the budget for 1982.

Whatever the case, the UGT is basically supported by the dues from the "historic" trade unions--those representing the banking, office and insurance workers. We wanted to include the accounts of one vertical trade union, normally regarded as parallel--in this instance, the SIMA, in this analysis of ours, but as of the date of this writing, our request for information on the subject has been refused. This is yet another factor revealing how this type of union shuns the light of day.

Union of Pilots

The most powerful of the independent trade unions, in financial terms, seems to be the Union of Civil Aviation Pilots (SPAC). Its ordinary income in 1981 was 27,200 contos. This sum, however, as best we could learn, is vastly exceeded by the special assessment for the so-called "social security fund,"

which serves to cover retirement, strike and social aid needs. Be that as it may, the SPAC, with its 560 members, is certainly the union with the largest "per capita" income in the trade union sector.

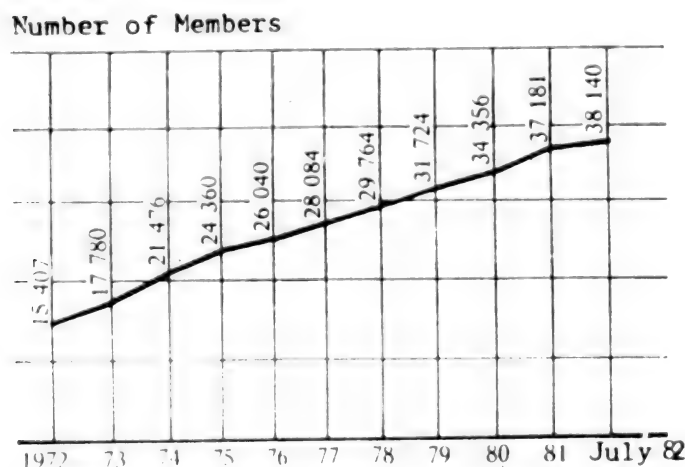
One last union, again unaffiliated with any federation, whose accounts we analyzed, was that to which newsmen belong. It is a naturally weak union in financial terms, with only 5,200 contos in income in 1981. But it is in a better position than a large number of the trade union organizations of similar dimensions, which, as both the federations acknowledge, are combating real survival problems.

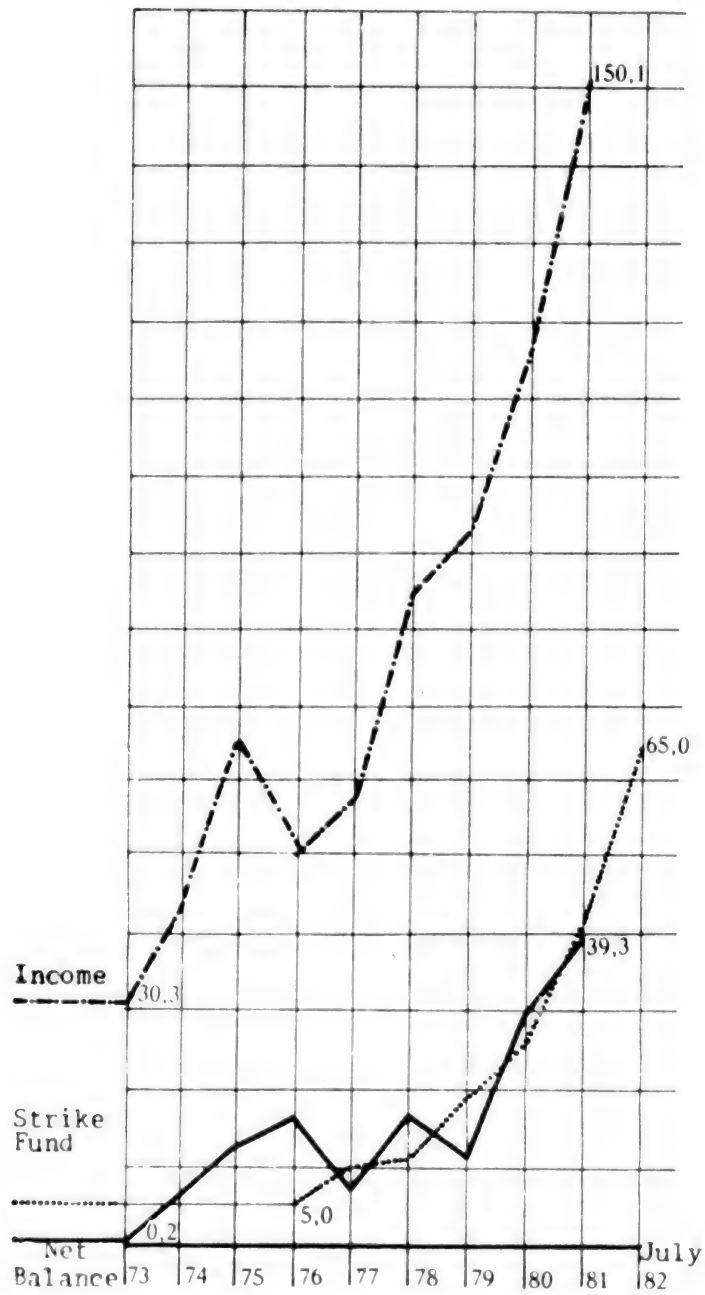
Trade Union Income in 1981
(in thousands of contos)

<u>Union</u>	<u>Income</u>
Bank Workers of the South and Islands	150.1
SITese	106.1
CGTP/IN	81.4
Lisbon Metallurgical Workers	65.9
UGT*	36.3
Civil Aviation Pilots	27.2
Lisbon Civil Construction Workers	22.5
Newsmen	5.2

Source: Trade union financial reports

*1981 budget





5157
CSO: 3101/61

SOCIALIST YOUTH PURGES ANOTHER TEN MEMBERS FROM ORGANIZATION

Stockholm DAGENS NYHETER in Swedish 19 Aug 82 p 7

[Article by Ann-Charlotte Samec: "All Work Sabotaged; Another Ten Expelled From SSU"]

[Text] The executive committee of the SSU [Swedish Social Democratic Youth League] has expelled another 10 members. A total of 50 members have been purged with great commotion since 1976. All belonged to the group around the publication OFFENSIV and were labeled communists and Trotskyites by the SSU.

"They are not Social Democrats even though they say so. They are impossible to have in a local SSU group, because they sabotage all work. They are disloyal, unfriendly and undemocratic," says Bo Bernhardsson, the SSU organization's secretary.

"The SSU people who are part of the group around OFFENSIV embrace real socialism in contrast to the SSU and the Social Democratic party, which cooperates with the non-socialists and the big companies. We want to make Social Democracy socialist in the true sense of the word," says Per-Ake Westerlund, who is a staff member for the publication OFFENSIV. He himself was expelled last year from the SSU.

"We criticize the party from the left, and since the SSU leadership is afraid that this kind of criticism will spread the same way it has in some countries in Europe they consider us so dangerous that they must stop us."

"The main reason why we want to stop this group is not that they criticize us. There are many radical people within the party who are strongly critical of us, and thank God for that. This is the way it should be in a party," Bo Bernhardsson says.

"The people around OFFENSIV have formed a secret parallel organization to the SSU. They have their own conventions. Their goal is the revolution. We have documentation on everything they do. We got it from supporters who defected."

Per-Ake Westerlund denies that the publication OFFENSIV is actually a cover for a secret, parallel organization.

'Don't Be Lying'

"Bernhardsson is lying when he says that. But that is part of the smear campaign against us. OFFENSIV has no secrets. We are a completely open organization. What the SSU calls secret meetings are ordinary editorial gatherings, in which those who contribute to selling OFFENSIV may participate."

OFFENSIV was established in 1973 by leftist SSU people and initially had the support of the organization's executive committee. As early as 1976 the [differences of] opinion between OFFENSIV and the SSU had become so great that the first seven members were expelled. In March 1981 20 persons were expelled, 13 in April this year 23 persons [sic] and now 10 in Scania.

After the election the SSU plans to expel another 50 members.

"We don't have time before, because we want to have a personal talk with the person before expelling anyone," Bo Bernhardsson says.

OFFENSIV believes it follows the party line in its policies. The group wants to nationalize all major companies and rejects all cooperation, all compromise meetings and discussions with the non-socialists.

'Social Democrats too Tame'

"The Social Democrats are much too tame. They have accepted the crisis with its growth and expansion. It is not in cooperation with Wallenberg and the non-socialists that the crisis will be solved but with truly socialist policies."

The OFFENSIV group dissociates itself from the VPK [Left-Party Communists] which they believe is very similar to the Social Democrats and which also has not dissociated itself from the East bloc. They consider themselves Social Democratic despite having been expelled from the party.

"They are communists although they don't admit it. They have committed themselves to working within the large labor party in order to break it up from the inside," Bo Bernhardsson says.

"We are not afraid of them; they are still very small. But they don't belong among the Social Democrats."

11/10/81

NO: 3107/226

PERSIAN GULF WAR MAKING ANKARA VERY UNEASY

Istanbul CUMHURİYET in Turkish 25 Jul 83 pp 1,11

Report by Sedat Ergin

Text: Ankara--When the Iran-Iraq war began as a small border conflict [in 1980], Turkey's main concern was continuing its relations with both sides in a balanced manner. At the time, it was considered an exaggeration to term this border conflict as war.

However, this relatively calm period did not last long. After going through several stages, the conflict assumed a serious nature and has evolved into a ruthless war between our two southeastern neighbors. Consequently, Turkey is concerned more than ever. In fact, Turkey's economic and trade links with its two neighbors are no longer issues of prime consideration. The dimensions of the war have driven Turkey to worry about political consequences which the war may produce and which go beyond Turkey's links with the two countries.

Turkey's worries may be grouped under two main points. Firstly, there is the possibility that the conflict between Iran and Iraq may spill over beyond the borders of the two countries and, with the participation of Jordan and Arab countries around the Persian Gulf, turn into a broad war between Iran and the Arab world. This possibility, inevitably, brings with it the second cause of anxiety: The possibility that a general war in the region may invite the intervention of others, specifically superpowers, in the conflict.

These chain reactions that may result from the expansion of the war may force Turkey to confront an entirely undesirable situation in terms of both its "attractive" geographical position and the political bill it may have to pay.

It is clear that even under those circumstances Turkey would not participate in the war directly or indirectly. However, these chain reactions may leave Turkey vulnerable to pressures from the United States, the Soviet Union, Arab countries and Iran. Furthermore, Ankara has to think about possible changes in the demographic and ethnic structure of the region that may result depending on the outcome of the war.

What is Turkey doing?

It is these chain reactions that are deeply worrying Ankara. Turkey wants the war ended, but is limited in what it can do to that end. Ankara has fulfilled more than its share of responsibilities in proposing "moderation" to both sides in the conflict.

From the very beginning of the conflict, Turkey has called on both Baghdad and Tehran to "use common sense." These calls were made even more frequently in the last few days. When an equilibrium was achieved following the withdrawal of Iraqi forces from Iranian territory, Ankara told Iran in no uncertain terms that it hoped that Iran would not violate Iraq's borders.

It can be said that the suggestions made to Iran turned into friendly warnings during this period. Ankara has not been bashful about telling Iran at various levels that the expansion of the war "would mean a direct invitation to the superpowers to intervene" and that "certain systems of equilibrium must be observed from a viewpoint of international relations." This was the case during World War II which eventually turned into a total international war involving most countries around the world.

However, it seems that the Islamic administration in Iran will not easily renounce its goal of destroying the "third Satan," Iraqi President Saddam Husayn, after its successes in defeating the "first Satan," the Shah, and the "second Satan," the United States. Consequently, even if Ankara forces the limits of its diplomatic influence over Tehran, it is very unlikely that the Khomeini government will be persuaded to renounce its goals.

Impartiality Preserved

At this second stage when Iranian forces are in Iraqi territory, Turkey is maintaining the same impartial posture it displayed during the time when Iraqi forces were in Iranian territory. This policy of neutrality had difficulties at the beginning, but is now virtually institutionalized and "is looked upon with trust at the highest levels of government in both Baghdad and Tehran."

Following the intensification of the conflict and the new configuration of the forces, an interesting situation has emerged: The Western countries which were applauding the presence of the Iraqi forces in Iran are now in a state of panic. This double standard in the West's attitude is, to a certain extent, understandable. Because, while the Iraqi forces never posed a threat to the Iranian capital when they were on Iranian territory, the Iranian forces are now in close proximity to the Iraqi capital and present a clear threat to the Ba'athist regime of Saddam Hussein.

United States and Turkey

While these developments continue to unfold, Turkey's Western allies have been frequently knocking on Ankara's door to express their anxieties and to make their suggestions. These suggestions call on Ankara to put its influence with both countries into use on grounds that Turkey has good relations with both sides. Ankara's response has been that it is already doing that.

Developments pertaining to the Iran-Iraq war are now a permanent part of the agenda of talks held between Turkey and the United States at various levels. For example, during U.S. Ambassador Robert Strauss-Hupe's visit to Foreign Minister Ilter Turkmen last week, the talks centered mainly on the Iran-Iraq war. So far, there have been no direct requests from the United States on this issue.

On the other hand, if the war--which lately seems to have entered a stage of deadlock--grows and Iraq asks the United States to send its rapid deployment force for assistance, how would Turkey be affected? It appears that the United States will not find Saddam Husayn's invitation alone as sufficient grounds to consider such a request seriously. Jordan and Arab countries around the Persian Gulf must also join Iraq in such a request for the United States to give it serious consideration.

WASH

CALL: 4/12/80

EDITORIAL COMMENTS ON ALLEGED VIOLATION OF WATERS BY SUBMARINE

Helsinki UUSI SUOMI in Finnish 17 Aug 82 p 2

[Editorial: "Auto Ferry Is Not a Submarine"]

[Text] Some sort of submarine hysteria seems to be spreading through our Northern waters. The infection, which was contracted from Sweden, has gotten a tenacious grip on the Finns, who had previously kept their cool. We cannot come to any other conclusion given the fact that an auto ferry on its normal run in the channel traffic was photographed as a submarine and that this picture, embellished with the submarine theory, was even presented on a current affairs telecast.

A surprising number of people capable of using their heads were ready to believe that the alleged sighting was true, even though officials right from the beginning tried to raise their voices in favor of the auto ferry theory. It is probably much more tempting to believe that Finland's territorial waters are also swarming with submarines than to rely on common sense and experience.

Besides, because of the way they move, submarines are the most secretive means of modern warfare and, therefore, those that most captivate the imagination, which is why, viewed from this standpoint, it is understandable that people would believe in rumors and unfounded sightings. We cannot, however, stress the fact too much that, instead of rumors, people ought to believe only facts and that they should have the courage to believe in our Coast Guard and military authorities. An auto ferry that is believed to be a submarine is, to be sure, only a harmless, albeit ridiculous, example of ungrounded zeal, but some other, similar incident could have more serious repercussions.

It is true that there is a large number of submarines belonging to different nations in the Baltic, some even equipped with nuclear weapons. It is also true that there has recently been a larger number of properly corroborated submarine sightings than before in both the Gulf of Bothnia and the Gulf of Finland. So these coasts are of interest to foreign nations and they are perhaps more so than before. There is, however, no reason to go ahead and imagine that some decisive change has occurred and that the submarine sightings that have so far been made are tenable proof of an entirely new big power sea strategy.

On the day of the Soviet submarine that ran aground on the Swedish coast last fall — a real submarine scandal — indeed made people sit up and take notice of the existence of underwater military activity, which until then no one had really paid much attention to. It is in itself a good thing that these danger factors of peaceful coexistence also become objects of discussion in those places where other weapons systems are discussed.

However, not every ship sighted in the distance is a submarine, nor is every ship concealed in any cove or deep spot along our coastline a submarine. It is only right for ordinary sailors to keep their eyes open for other water traffic and report clearly suspicious sightings to the authorities. This fuss on the part of amateurs, however, becomes idiotic when they begin to claim that anything that cannot be unquestionably recognized from a distance is a submarine.

Our Coast Guard has the difficult task of watching over the inviolability of a small nation's territorial waters with the means it has available to it. We may, however, be sure that this branch of service does its job with extreme care and in a professional manner. The fact that political leaders may, for example, delay reporting of submarine sightings is another matter. This cannot be defended, but it has nothing to do with the number of submarine sightings either. At the most, the vague character of such reports increases people's readiness to believe rumors about them.

Common sense in reporting must be preserved in another direction as well. We cannot require the authorities to publicly report in detail on every submarine sighting made in the vicinity of our territorial waters unless it is significant from the standpoint of our security policy. So we must cool down a bit now that auto ferries have turned into submarines.

11,456

220: 5107/173

ROLE OF RESERVES IN CIVIL DEFENSE, WAR READINESS

Paris ARMEE ET DEFENSE in French Jul-Aug 82 pp 12-14

[Article by Colonel Thouin, former assistant civil defense director for the department of Charente: "What Tasks For Reserve Officers?"]

[Excerpts] Trained to perform missions assigned to the armed forces, reserve officers must expect, in the event of a grave emergency, to participate in the country's military defense, but also in its civil defense to save people's lives and property. National defense is unity of action: military defense and civil defense simultaneously develop preparedness in peacetime and remain factors contributing to the nation's morale.

The development of airborne weapons--conventional and nuclear,--the power of long-range missiles and rockets have changed conditions surrounding the mobilization of French forces. At the national finals of the reserve officers and NCO's rally at Saumur in July 1981, the army chief of staff¹ noted that "the French Army, complementary to the Strategic Nuclear Forces, embodied through its 120,000 regulars, 200,000 draftees, and 300,000 reservists, the nation's resolve to defend itself." These young soldiers represent two to three annual draftee call-ups, that is to say less than 10 percent of the men 20 to 50 years old who have already performed their active national service. This percentage becomes nearly 7 percent when we consider that one Frenchman out of three of the same age is exempt from national service obligations.²

While the army's manpowers needs have lessened since its reorganization, there is still a noticeably large number of officers and NCO's in the new units: one officer per every 15 mobilizable persons, and one NCO per every five men.³

In wartime, the French Army can offer 26,000 mobilizable assignments to the 60,000 reserve officers and 52,000 to the 245,000 NCO's administered by the DPMAT⁴ [Army Military Personnel Directorate]. This means that these officers and NCO's receive appropriate individual military training for their combat duties, participate in field exercises as part of divisions "mobilized" each year, and then upon reaching a certain age they are stricken off armed forces rolls so as to permit those forces to continuously rejuvenate themselves. Thus more than 50 percent of the officers and NCO's recruited and trained during their national service no longer--in principle--have a military

ment in a unit once they are over 55 years old.⁵ In an emergency, some of them would be retained in the firm, company, or government department by which they are employed. Yet several thousand remain available and ready to serve in some effort were made to inform them of their possible tasks and functions.

Reserve Officer and Civil Defense

Apart from peacetime civil defense measures which are the responsibility particularly of mayors, wartime civil defense is governed by basic laws, regulations, and implementing orders whose actual implementation is delayed by lack of funds, training cadres, and a "relatively woolly policy on the subject in our country."⁶

The law of 11 July 1938 on general wartime organization of the nation made provision for a national service, then called "passive defense against the airborne danger," to be operated in the departments by prefects with the help of mayors. This service was reinstated in the law of 7 January 1959 signed by General de Gaulle. Article 1 of that law states: "The purpose of the national defense establishment is to ensure the security and integrity of our territory and protect the lives of our people at all times, under all circumstances, and against all forms of aggression."

Article 17 states: "The Minister of Interior is responsible for the continuous preparedness and operation of the civil defense system."

Without going into the respective jurisdictions of the main government agencies involved--SGDN [General Secretariat for National Defense], Ministry of Interior, and National Civil Security Directorate--or the conditions of civil-military coordination at the various governmental echelons, suffice it to say that "the administrative organization of civil defense" is established within the department under authority of the prefect who is responsible for its preparedness in peacetime and its operation."

The departmental Office of Civil Defense, integrated or not in the prefectural Defense Office depending on the departments, has no decentralized organizational framework similar to those of the Public Works Agency, the PTT [Postal, Telephone, and Telegraph Administration], the EDF [French Electric Power Company], and the Treasury. Even though the departmental Fire and Rescue Service Inspectorate has ample emergency relief resources in the first aid and rescue centers manned by permanent employees or at times by on-call volunteers, these facilities are adequate for peacetime but inadequate to perform their tasks in a state of emergency.

In addition, special studies by parliamentary authorities have revealed the multiple causes of deficiencies in administrative coordination procedures.⁸

The meagerness of funds allocated to civil defense, as revealed during the budget debate,⁹ impairs the call-up of "assigned civil defense" personnel authorized for the headquarters, staffs, and departmental nuclear [CBR] subsection to support officials of communes with more than 4,000 residents,

or to serve as cadres for units or service, to be mobilized, or to establish facilities to meet community and individual civil defense needs.

There is in this situation a large material, moral, and psychological "void" unknown to the vast majority of our fellow citizens. Yet preparation of any defense is a peacetime task.

How Must We React to This State of Affairs?

"A nation that lets itself become indifferent is easy prey to a determined adversary."¹⁰

Under the German occupation, groups of partisans in various places throughout France were motivated by the same ideal and organized themselves under the command of a local leader. With few resources, but thoroughly familiar with their sector of activity, they operated independently and effectively. These groups gradually coordinated their resistance activities so as to be recognized by national authorities.

These past few years, reserve officers associations have explored various forms of action they could consider taking as military personnel, but their initiatives have remained limited. Yet in the area of civil defense, indeed even of economic defense,¹¹ there are highly advantageous activities that are indispensable in times of crisis and demand serious peacetime consideration, planning, and preparation by competent authorities. The availability and readiness of a large number of reserve officers¹² in the rural community or in city neighborhoods and districts should make these "cadres in reserve" active correspondents, "information relayers" for those prefectural agencies and services with whom their departmental association works.

The reserve officer who is member of a neighborhood committee in our cities, leader of a study and suggestions group at cantonal level, who is in contact with other reserve officers and NCO's, military retirees, leaders of veterans groups, members of the medical and paramedical professions, members of volunteer first aid and rescue associations, directors of emergency first aid and rescue centers, national gendarmery (or local police) officials, and heads of educational institutions, should become--in coordination with the department reserve officers association--the "civil defense adviser"¹³ to the mayor of the city, the local councilor general (elected member of a department's General Council), and local and departmental authorities.¹⁴

These working groups would furnish soundly-based information to the departmental reserve officers association and through it to prefectural authorities. In this way, these groups can contribute their ideas on such matters as: food supplies (for persons and animals); formulation of plans on use of available means of transportations; maintenance, restoration, or repair of power supplies; establishment of emergency housing and shelters for the homeless; use of manpower; fuel supplies for local economic activity (notably farming); nuclear radiation protection for individuals; etc.

This list of requirements may speak volumes, but it is simply the result of the civil defense strategy¹⁵ approved these past few years by governmental

authorities. National defense--military, civil, economic--is a state responsibility.

Although General Councils have to this date been granting subsidies for civil defense peacetime projects--Fire and Rescue Service: payment of personnel, purchase of equipment, infrastructure; construction of gendarmery buildings--and now and then for departmental ORSEC [Disaster Relief Organization] exercises, no funds have ever been provided for inventorying air raid and fallout shelters, establishing underground facilities for the care and treatment of the sick and injured, and for identifying regional and departmental "weaknesses."

Regardless of its qualities and defects, the law on "rights and freedoms of communes, departments, and regions" passed by Parliament in January 1982 met the natural expectations of all the people. The likely politicizing of regional and local assemblies will prompt elected officials to obtain a better grasp of their fellow citizens' security problems, and will give rise, through these local counterbalancing powers, to the allocation of funds for well-defined purposes: "A civil defense program in which civilians did not participate would be truly illusory."

The different approach to security problems taken by elected officials, in cooperation with those study groups led by reserve officers, does not conflict with the work of administrative agencies--particularly the Office of Civil Defense--but actually complements their work. It also has positive aspects and, above all, stimulates a most important upward flow of information from the base of the governmental pyramid. More complete studies of this problem can be expected after publication of laws and regulations clarifying certain aspects of the current "rights and freedoms" legislation passed in January 1982.

It must be noted that "information is essential to successful implementation of a civil defense program that would most likely be ineffective without it." Reserve officers in touch with individuals must help them develop a sense of civil responsibility. Admittedly we cannot and must not indulge in any political fiction about the future, but unfortunately we must avoid believing in permanent, an achievement permanently at variance with the history of mankind.

A review of the literature on the effects of the environment on the development of the child.



Information Required at Departmental Level

(Subject to revision after publication of all decentralization laws and regulations)

Key:

1. Reserve officers responsibility
2. Information flow
3. To region, zone, ministry
4. To UNOR: National Union of Reserve Officers
5. Prefect and staff
6. TPG: Chief treasurer and paymaster
7. President of General Council
8. Defense Office
9. DMD: Departmental military representative
10. General Council's secretariat and staff
11. Other departmental offices
12. Fire and Rescue Service Inspectorate
13. Departmental Office of Civil Defense
14. Departmental reserve officers association
15. Cities with population in excess of 4,000
16. Augmented first-aid and rescue center
17. CBR (Chemical, biological, radiological) subsection headquarters and staff
18. Ideas and suggestions submitted by persons earmarked for assignment to civil defense and by local agencies and services concerned with civil defense
19. Civil defense information to reserve officers and NCO's
20. Civil defense information groups
21. Neighborhood committees (mayors)
22. Emergency shelter information and operations center
23. Councilor general [member of General Council]
24. Municipal reception and rest centers
25. CBR warning service
26. District or neighborhood leaders, urban civil defense directorates
27. One-way governmental decisions
28. Headquarters and staffs to be established in times of crisis
29. Mobile rescue service unit
30. Inadequacy of ministerial funds eliminates: submission of any reliable civil defense information to departmental officials, any concrete civil defense exercises, and dissemination of civil defense information to the general public
31. Consisting of representatives from: reserve officers and NCO's, military retirees, heads of educational institutions, medical profession, first aid and rescue workers; French Red Cross, emergency first aid and rescue centers, gendarmery, and veterans associations
32. Reserve officers associations must take action to: determine the civil defense assignments of reserve officers; inform the latter of their role and functions with authorities (department, arrondissement, canton, communes with more than 4,000 residents); centralize information on a crisis situation and transmit it to prefectural agencies and services

FOOTNOTES

1. See TERRE INFORMATIONS, November 1981.
2. In 1940, the percentage of the working population eligible for recall to active duty was 25 percent (LE MONDE, 4 April 1979).
3. See articles on national defense in QUID 1982.
4. ARMEES D'AUJOURD'HUI, October 1981, p 6.
5. Unless they are reserve field grade officers.
6. Senate debate of 27 November 1980.
7. See application of Article 61 of the law of 11 July 1938.
8. Investigative report on the level of protection for the French civilian population in periods of emergency by Senators Marcellin and Bonnefous, April 1980, p 59 and beyond.
9. In 1981, funds allocated to the civil defense capital expenditures program represented but 0.1 percent of the funds in the military defense budget.
10. Senate budget debate of 5 December 1981.
11. Economic defense is but a variant of civil defense.
12. Preferably under 50 years of age. More than 20,000 officers administered by the Armed Forces Personnel Directorate have no defense assignments.
13. These would not be "self-defense groups" but persons who calmly, day after day, ponder the possible local effects of enemy actions, in other words, an intellectual process similar to those involved in coping with family, business, or job-related concerns.
14. During exercise "Aunis 1981" conducted in Charente, in an effort to improve collection of intelligence information on the presence of enemies in the department, the Reserve Officers Association of Angouleme organized reserve officers and NCO's and military retirees into a network of "correspondents" to comb the department for enemy forces.
15. A study outside the scope of this article but having formed the subject of an already mentioned legal and technical report by Senators Marcellin and Bonnefous.

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CSO: 3100/906

BRIEFS

RESERVES TRAIN IN CHARTRES--Some 4,000 reservists from Ile-de-France or the Center Region and assigned to the 102d Infantry Division were called up for 5 days of active duty training in the Chartres area from 10 to 15 May. The vertical call-up of a reserve division, generally every 5 years, is designed to mobilize the division with all its personnel and equipment for the purpose of testing and evaluating its operational readiness. The 102d Infantry Division is derived from the 2d Armored Division with headquarters in Versailles. It consists mainly of three infantry regiments, a reconnaissance regiment, and a headquarters and service regiment. This mobilization exercise was conducted in two phases. The first was 48 hours of refresher instruction and training in garrison. The second phase was a field exercise in the department of Eure-et-Loir. It consisted of missions executed at regimental level. The exercise headquarters was located in Air Base 122 at Chartres. A "public relations day" was held on 13 May at the headquarters and in the various exercise areas. Dignitaries in attendance included Georges Lemoine, secretary of state to the minister of defense, and the president of the UNOR [National Union of Reserve Officers] accompanied by members of the union's executive committee. [Text] [Paris ARMEE ET DEFENSE in French Jul-Aug 82 p 18] 8041

CSO: 3100/906

SCIENTISTS SEEK INDEPENDENCE IN TITANIUM PRODUCTION

Paris LE NOUVEL ECONOMISTE in French 2 Aug 82 p 40

[Article by Philippe Gazier: "Caprices of Titanium"]

[Text] Titanium is capricious. Some 3 years ago, that metal was scarce and its price zoomed. At present, surplus production capacity has forced titanium plants to close in the United States and Japan, and its price has slumped. This "wonder" metal is highly resistant to temperature variations and corrosion. It is also twice as light as steel. Yet is it about to fall out of favor? No, things have not reached that stage.

Extracted from two ores--ilmenite and especially rutile--found in Australia, Brazil, and India, titanium is highly valued in the aircraft industry. It is used in making rotating components of jet engines and certain airframe sections, particularly the moving parts of wings. It is also used in structural material for desalination plants, nuclear reactors or refineries sited on seacoasts.

Now, however, American aircraft engine and airframe manufacturers are starting to bring production to a "screeching halt." Airlines are ordering almost no new aircraft, and are indeed even cancelling orders or stretching delivery schedules. President Reagan's rearmament program--including Rockwell's B-1 bomber--has not yet managed to offset the decline experienced by manufacturers of commercial transports. In addition, the shortage scare of the late 1970's had prompted titanium users to build up "strategic" stockpiles of the metal. And to such an extent that the world price of titanium "sponge"--intermediate product which subsequently undergoes metallurgical processing--dropped from \$8-9 per 450 grams to less than \$6. Furthermore, plans for expanding titanium production capacities have been shelved, notably in France.

At the present time, titanium sponge is produced only in the USSR, United States, Japan, Great Britain, and just recently--according to some reports--in China. Great Britain, the sole European manufacturer, produces titanium sponge mainly for its aircraft engine builder, Rolls-Royce. As a result, continental industries buy their sponges outside of Europe. They have not slackened their purchases and stockpiling. They want to be in a favorable position to support an increased Airbus production rate and new military aircraft programs. Production of each Airbus A300 transport consumes more

than 5 tons of titanium mill products, approximately two-thirds of which is for the General Electric-SNECMA CF6-50 jet engine. On the other hand, the sponge production plant which France and Germany, and then France alone, had planned to build is still on paper.

In France, where total annual consumption of titanium is about 2,000 tons, 80 percent of which is by the aircraft industry, sponges are processed by the Cezus company (formerly Ugine Steels) a fully-owned subsidiary of PUK [Pechiney Ugine Kulhman]. Cezus has nearly 1,000 employees. Its primary specialty is the processing of zirconium, another "rare" metal. Cezus now controls the entire zirconium production line and even covers 45 percent of the world market. Titanium accounts for approximately 30 percent of its total volume of business, some 500 million francs. Processing of the famous sponge is done mainly at Ugine, and Cezus supplies manufacturers with titanium in "ribbons" and "tubes" (sheets and plates are imported directly from Japan).

France has not abandoned the idea of freeing itself from its dependence on titanium sponges. Even though production of sponges ceased in 1963 because of the USSR's price-busting practices, French experts believe they can use the same "classical" process as the one they control for zirconium. Hence it would not be necessary to obtain a foreign license. Moreover, instead of investing some 200 million francs to build a plant with a capacity of processing some 2,000 tons of titanium sponge per year, a pilot facility could first be installed. Titanium sponge manufacturing being "modular," this pilot unit could be the initial element of a larger, more ambitious plant, pending a resurgence of titanium prices.

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